WINE PURCHASE BEHAVIOUR: PRODUCT ATTRIBUTES, PRODUCT KNOWLEDGE, PERCEIVED RISK AND INVOLVEMENT

by

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"My gange het vasgehou aan u spore, my voetstappe het nie gewankel nie." Psalms 17:5.

ABSTRACT

Historically, Old World wine countries such as Italy, France, Germany and Spain had a reputation of producing superior wine in terms of quality and taste. However, since the early 1990's, New World wine countries such as South Africa, the United States, Australia, Argentina, New Zealand and Chile have shown affluence in the global wine market. In particular, a significant growth in sales (both domestic and international) has been evident for South African wines between 2009 and 2013. Even though this growth extended to both commercial and academic interest of the South African wine market, it has been suggested that the market may expand at a slower rate between 2014 and 2018. To some extent the slower expansion rate has been evident since the major global and local social, political and environmental changes that took place from the early 2000's that in turn brought about changes in consumers' wine purchase behaviour.

These changes cannot however be viewed in isolation as the one has a knock-on effect on the other. For instance, within the South African context some historical social and political issues had to be addressed since 1994 to re-establish and strengthen the South African wine industry, both locally and internationally. Initiatives in the early 2000's such as introducing and encouraging Fairtrade (since 2008), the establishment of the Biodiversity and Wine Initiative as well as Wieta (the wine and agri-industry ethical trade initiative) have aimed to build the reputation of the South African wine industry toward a fair and representative industry (Bek, McEwan & Binns, 2011). In addition, globally consumers are becoming more environmentally conscious and consequently retailers had to change product offerings. A noticeable change has been within the United States' wine industry where a number of retailers (such as Walmart & Tesco) are offering wines advocating sustainable, organic and biological practices (Taylor, 2018). These product offerings does not only influence and change local, but also international demand and trends. In 1998 sustainability guidelines were introduced to the South African wine industry and ever since the initiatives had increased to ensure greater sustainability within the sector. For instance, since 2010 all bottles had to be labelled with an Integrity and Sustainability seal indicating that the wines were produced using such practices (WOSA, 2017).

Such initiatives, among other, have changed the competitive and consumer landscape globally and as a result could have a slower growth effect on global consumption patterns. A somewhat noticeable slower growth rate has been reported for the South African wine industry (compared to sales from 2009 – 2013) at the end of 2016 indicating shifts in consumer purchasing patterns (SAWIS, 2016:19). This change in purchasing patterns may create a need for realigning wine marketing strategies to grow market share.

Noticeable areas of interest within global wine research pertain to purchasing and consumption situations. In an attempt to better understand the complex nature of wine purchasing, it has been suggested that researchers focus on more sophisticated variables, rather than only for example demographics that influence wine purchase decision making. As such, previous research investigated the influence of subjective product knowledge, the role of perceived risk, and the effect of level of product involvement on choice attributes. In this context, a void is apparent in literature in that no published scientific literature could be identified that measures the combined influence of these variables on wine purchase behaviour. In addition, industry leaders noted the need for a better understanding of the purchase behaviour of South African wine consumers. Thus, the research problem of this study was formulated as: Does different levels of subjective product knowledge, perceived risk and product involvement contribute to differences in volume of South African (New World) wine purchased per month for consumers' own consumption? This problem statement gave way to the primary objective of the study, namely to determine if different levels of subjective product knowledge, perceived risk and product involvement contribute to differences in wine purchase for own consumption in South Africa.

During purchase decision making, wine consumers rely heavily on product attributes as quality indicators that may guide decision making, as the wine cannot always be tasted prior to purchase. Nevertheless, no academic literature could be identified that determines the importance of unique combinations of choice attributes and how they vary for levels of knowledge, perceived risk and product involvement. The secondary objective of this study is therefore to determine whether the unique combinations of product attributes vary for different levels (low, moderate and high) of subjective product knowledge, perceived risk and product involvement.

The study is based on a review of literature covering aspects of wine marketing, consumer behaviour, consumer decision making, especially subjective product knowledge, perceived risk, level of product involvement and product attributes. This review of literature was followed by an empirical, survey-based study to investigate wine purchase behaviour pertaining to subjective product knowledge, perceived risk, level of product involvement, and product attributes within a South African context. To provide the necessary context and theoretical point of departure for this study, it was deemed important to propose a conceptual theoretical framework of wine consumer decision making. An online questionnaire was subsequently developed to gather data from a non-probability convenience sample of South African wine consumers. From the results of an exploratory factor analysis the reliability of the perceived risk scale was questionable, thus none of the objectives pertaining of this construct could be reported. With respect to subjective product knowledge and level of product involvement, the findings indicated that different levels (low, moderate and high) of subjective product knowledge and product involvement do in fact influence the volume of wine purchased for own consumption. In addition, the most and least important product attributes were identified for each level of subjective product knowledge and product involvement and the significant differences between groups were highlighted.

To summarise, *grape variety* was identified as the most important product attribute for all three levels of subjective product knowledge, while *alcohol content* and *opinion of sales representative* were the least important product attributes. However, *grape variety* was significantly more important (compared to the other attributes) to moderate and high subjective product knowledge respondents. Relatively similar results were reported for level of product involvement, aside from *friends/family recommendations* being the most important product attribute for low product involvement respondents. Even so, *friends/family recommendations* and *grape variety* were still significantly more important than the other product attributes for low product involvement respondents. It is therefore strongly recommended that South African wine marketers take note of the importance of *grape variety* when developing marketing strategies.

OPSOMMING

Vanuit ‘n historiese oogpunt het ou Wêreld wyn lande soos Italië, Frankryk, Duitsland en Spanje 'n reputasie vir die vervaardiging van uitstekende wyn in terme van kwaliteit en smaak. Sedert die vroeë 1990's toon Nuwe Wêreld wyn lande soos Suid-Afrika, die Verenigde State van Amerika, Australië, Argentinië, Nieu-Seeland, en Chili egter toenemende groei in die globale wynmark. In die besonder is daar ’n beduidende toename in verkope (beide plaaslike en internasionaal) vir Suid-Afrikaanse wyne tussen 2009 en 2013. Al het hierdie groei tot beide kommersiële en akademiese belangstelling in die Suid-Afrikaanse wynmark gelei, word dit voorspel dat die mark teen 'n stadiger koers kan uitbrei tussen 2014 en 2018. Tot 'n sekere mate kan die stadiger groeikoers terug gedateer word tot die merkwaardige globale sosiale, politieke en omgewingsveranderinge wat sedert die vroeë 2000's plaasgevind het, wat gelei het tot veranderinge in wyn verbruikers se aankoop gedrag.

Hierdie veranderinge kan egter nie in isolasie gesien word nie, aangesien die een ‘n oorspoel effek op die ander het. Byvoorbeeld, binne die Suid-Afrikaanse konteks moes daar sekere historiese sosiale en politieke kwessies aangespreek word sedert 1994 om die Suid-Afrikaanse wynbedryf, beide plaaslik en internasionaal, te herstel en te versterk. Inisiatiewe in die vroeë 2000's soos Fairtrade (sedert 2008), die vestiging van die Biodiversiteits- en Wyn-inisiatief asook Wieta (die etiese handelsinisiatief van die wyn en landboubedryf) het gemik om die reputasie van Suid-Afrikaanse wyne te bou en te versterk tot 'n regverdige en verteenwoordigende bedryf (Bek, McEwan & Binns, 2011). Daarbenewens word verbruikers wêreldwyd meer omgewingsbewus en gevolglik moet kleinhandelaars produkaanbiedinge verander. 'n Merkbare verandering is binne die Amerikaanse wynbedryf waar 'n aantal kleinhandelaars (soos Walmart & Tesco) wyne aanbied wat volhoubare, organiese en biologiese praktyke voorstaan (Taylor, 2018). Hierdie produkte beinvloed en verander nie net plaaslike, maar ook internasionale vraag en tendense. In 1998 is volhoubaarheidsriglyne vir die Suid-Afrikaanse wynbedryf ingestel en vandaar het die inisiatiewe toegeneem om groter volhoubaarheid in die sektor te verseker. Byvoorbeeld, sedert 2010 moes alle bottels geëtiketteer word met 'n “Integrity and Sustainability” seël wat aandui dat die wyne met sulke gebruike geproduseer word (WOSA, 2017).

Sulke inisiatiewe het onder andere die mededingende en verbruikers landskap wêreldwyd verander en kan gevolglik 'n stadiger groei-effek op globale verbruikspatrone hê. 'n Effens noemenswaardige stadiger groeikoers is aan die einde van 2016 vir die Suid-Afrikaanse wynbedryf gerapporteer (vergeleke met verkope vanaf 2009 - 2013) wat die verskuiwings in verbruikers aankooppatrone aandui (SAWIS, 2016: 19). Hierdie verandering in aankooppatrone kan 'n dringendheid skep vir die herbelyning van wynbemarkingstrategieë om markaandeel te vermeerder.

Opvallende areas van belangstelling in globale wyn navorsing het betrekking tot die aankoop en verbruik situasies. In 'n poging om die komplekse aard van wyn aankope beter te verstaan, word voorgestel dat navorsers fokus op meer gesofistikeerde veranderlikes wat 'n invloed het op wyn aankoop besluitneming. Vorige studies het die invloed van subjektiewe produkkennis, die rol van waargenome risiko en die effek van vlak van produk betrokkenheid op keuse veranderlikes ondersoek. In hierdie konteks is daar ’n duidelike leemte in die literatuur, aangesien geen gepubliseerde wetenskaplike literatuur geïdentifiseer kan word wat die gekombineerde invloed van hierdie veranderlikes meet nie. Daarbenewens het bedryfslede kennis geneem van die behoefte aan 'n beter begrip van die aankoopgedrag van Suid-Afrikaanse wynverbruikers. Dus is die navorsingsprobleem van hierdie studie geformuleer as: Dra verskillende vlakke van subjektiewe produkkennis, waargenome risiko en produkbetrokkenheid by tot die verskil in volume van Suid-Afrikaanse (Nuwe Wêreld) wyn wat per maand aangekoop word vir verbruikers se eie verbruik? Hierdie probleemstelling het gelei tot die primêre doel van die studie, naamlik om vas te stel of verskillende vlakke van subjektiewe produkkennis, waargenome risiko en produkbetrokkenheid bydra tot verskille in wyn aankope vir eie verbruik in Suid-Afrika.

Tydens aankoopsbesluitneming is wynverbruikers tot ’n groot mate afhanklik van produk veranderlikes wat dien as gehalte aanwysers en wat sodoende besluitneming kan beïnvloed, aangesien die wyn nie altyd voor die aankoop geproe kan word nie. Nieteenstaande kon geen akademiese literatuur geïdentifiseer word wat die belangrikheid van unieke kombinasies van keuse veranderlikes en hoe hulle verskil vir vlakke van kennis, waargenome risiko en produk betrokkenheid bepaal. Die sekondêre doel van hierdie studie is dus om vas te stel of die unieke kombinasie van produk veranderlikes varieer vir verskillende vlakke (lae, matige en hoë) van subjektiewe produkkennis, waargenome risiko en produk betrokkenheid.

Die studie is gebaseer op 'n oorsig van literatuur wat aspekte van wynbemarking, verbruikersgedrag, verbruikersbesluitneming, en veral subjektiewe produkkennis, waargenome risiko, vlak van produk betrokkenheid en produk veranderlikes insluit. Dié oorsig van literatuur is opgevolg met 'n empiriese opname-gebaseerde studie om wyn aankoop gedrag te ondersoek met betrekking tot subjektiewe produkkennis, waargenome risiko, vlak van produk betrokkenheid en produk veranderlikes binne 'n Suid-Afrikaanse konteks. Om die nodige konteks en teoretiese vertrekpunt vir hierdie studie te verskaf, is dit belangrik geag om 'n konseptueel teoretiese raamwerk van verbruikersbesluitneming voor te stel. 'n Aanlyn vraelys is gevolglik ontwikkel om data in te samel vanuit 'n nie-waarskynlikheid gerief steekproef van Suid-Afrikaanse wyn verbruikers. Uit die resultate van 'n verkennende faktorontleding was die betroubaarheid van die waargenome risiko skaal twyfelagtig, en kon geen van die doelwitte met betrekking tot hierdie konstruk gevolglik gerapporteer word nie. Met betrekking tot subjektiewe produkkennis en vlak van produk betrokkenheid, het die bevindinge aangedui dat verskillende vlakke (lae, matige en hoë) van subjektiewe produkkennis en produk betrokkenheid die volume wyn wat aangekoop word vir eie gebruik beïnvloed. Daarbenewens is die mees en mins belangrike produk eienskappe geïdentifiseer vir elke vlak van subjektiewe produkkennis en produk betrokkenheid en die beduidende verskille tussen groepe uitgelig.

Om op te som, *druif variëteit* is geïdentifiseer as die belangrikste produk eienskap vir al drie vlakke van subjektiewe produkkennis, terwyl *alkohol inhoud* en *opinie van verkoopsverteenwoordiger* die minste belangrike produk veranderlikes was. *Druif variteit* was egter aansienlik belangriker (in vergelyking met die ander veranderlikes) vir matige en hoë subjektiewe produkkennis respondente. Relatief soortgelyke resultate is getoon vir vlak van produk betrokkenheid, behalwe vir *aanbevelings van vriende/familie* wat die belangrikste produk veranderlike vir lae produk betrokkenheid respondente was. Net so was *vriende/familie aanbevelings* en *druif variteit* steeds aansienlik meer belangrik as die ander produk veranderlikes vir lae produk betrokkenheid respondente. Gevolglik word daar sterk aanbeveel dat Suid-Afrikaanse wyn bemarkers kennis neem van die belangrikheid van *druif variëteit* tydens die ontwikkeling van bemarkingstrategieë.

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CHAPTER 1
INTRODUCTION AND BACKGROUND

1.1 INTRODUCTION

Historically, Old World wine countries such as Italy, France, Germany and Spain had a reputation of producing superior wine in terms of quality and taste. This reputation was built by utilising more traditional than modern production methods, the perceived quality of the terroir (the location of the vineyard, the inclination of the soil, the humidity of the air, rainfall, and flora and fauna), and overall prestige associated with a region of origin in the marketplace. However since the early 1990's, New World wine countries such as South Africa, the United States, Australia, Argentina, New Zealand, and Chile have started to show affluence in the global wine market (Truong, 2012).

A pivotal turning point was set in motion after a blind tasting at a Paris Wine Tasting in 1976, where nine French judges rated red and white wines from California (New World wines) better than French wines (Old World wines) (Slinkard, 2014). Consequently, consumers' perception of New World wines started to change and for more than a decade (1996 - 2013) the export volumes for New World wines have grown dramatically. This increase in global demand suggests that the upsurge in New World wine production is no temporary anomaly (Cusmano, Morrison & Rabellotti, 2010; Marketline, 2014).

Since the early 2000's, major social, political and environmental changes influenced the global wine industry leading to changes in consumers' wine purchase behaviour. These changes include climate changes, volatile product demand, developments in legislation, ethical trade and economic factors (SAWIS VinIntell, 2012; SAWIS VinIntell, 2012; SAWIS VinIntell, 2012; SAWIS VinIntell 2013). As a result, shifts in consumer purchasing patterns may create a need for realigning wine marketing strategies to grow market share (Cusmano *et al*., 2010).

The South African wine market in particular has gained both academic and commercial interest due to its growth rate between 2009 and 2013. However, it has been

suggested that the market may expand at a slower rate between 2014 and 2018. Industry stakeholders attribute the slower expansion rate to: the unpredictability of the Rand exchange rate; the intense wine segment rivalry; increasing availability of non-wine product alternatives in the market and troublesome global economic circumstances (for example instability of the European Union, the United States' stagnating economy and gradual market growth shown for China) (Marketline, 2014; WOSA, 2013). Following on from the suggested slower expansion rate and the increasing amount of competition in the market (Cusmano *et al*., 2010; Von Armin & Herbst, 2009), South African wine marketers face unique challenges in the future. The challenge for South African wine brands to sustain a profitable market share has sparked research interest in gaining insight into consumer decision making and the factors that could influence wine purchase behaviour.

A particular area of interest within global wine research pertains to purchasing and consumption situations. Numerous studies have reported that various consumption situations may explain differences in consumer purchase behaviour (Agnoli, Begalli & Capitello, 2011; Camillo, 2012; Jaeger, Danaher & Brodie, 2009; Lockshin & Hall, 2003; Quester & Smart, 1998). Wines are furthermore purchased for different occasions each with different consideration sets, adding to the complexity of understanding wine purchasing behaviour. These occasions may include purchasing wine for own consumption, or to give as a gift, or for a dinner party with friends/family (Quester & Smart, 1998; Von Armin & Herbst, 2009). For the study at hand the assumption is made that when consumers purchase wine for own consumption, this action includes consumption. Lacey, Bruwer and Li (2009) propose that the volume of wine purchased be reported as bottles per month (as this is a relatively easy measure for consumers to indicate). Therefore, when referred to wine purchase (behaviour) the concept of consumption is *included* and the measurement of units of purchase (and the assumed consumption) is based on the volume of wine purchased (bottles per month).

The number of choices individuals must routinely make has proliferated and alongside this, a unique network of variables influence consumer decision making, and therefore understanding consumer decision making within a given purchase situation has become complex (Gustafson, 2015). For instance, within purchase decision making,

consumers have varying abilities and confidence levels in making decisions and as a result consumers can feel anxious and inexperienced, increasing the levels of perceived risk associated with the purchase decision. Perceived risk can be defined as a consumer's level of uncertainty and anxiety in making a purchasing decision and is largely driven by a lack of experience and wine product knowledge (Lacey *et al*., 2009; Schiffman, Kanuk, Brewer, Crous, du Preez, Human, Janse van Rensburg, Raninger, Tshivhase, Shrosbree & Ungerer, 2014:155). Inexperience and the complexity of the product (as the quality of the wine cannot always be determined prior to purchase), consequently motivates consumers to utilise risk-reduction strategies to assist in coping with uncertainty (Lacey *et al*., 2009). One risk-reduction strategy used by consumers to cope with uncertainty is to increase product knowledge prior to purchase. It can be suggested that inexperienced consumers feel that a lack of wine knowledge leads to increased uncertainty and results in a higher level of perceived risk associated with the buying decision, versus those consumers with higher product knowledge.

In an attempt to reduce perceived risk, consumers seek guidance from predominantly product cues (extrinsic, described as what is on the bottle, such as labelling, and intrinsic characteristics such as taste) and some other sources such as references, sales promotions and previous experience (Ginon, Ares, Issanchou, Laboissière & Deliza, 2014; Lockshin 2003; Oosthuizen, 2015). These sources of information contribute to a consumer's subjective product knowledge and could reduce the perceived risk experienced when making product choices without adequate levels of product knowledge.

Subjective product knowledge is a multidimensional construct that refers to a consumer's perceived familiarity with a product category (Viot, 2012). Research findings have suggested that consumers are more inclined to allow subjective product knowledge to guide behaviour, including purchase and financial decisions, than objective product knowledge, which is actual knowledge of a product category (Galegroup, 2014; House, Lusk, Jaeger, Traill, Moore, Valli, Morrow & Yee, 2004). There are various levels of wine knowledge, ranging from expert to novice wine consumers (Johnson & Bastian, 2007). Consumers are characterised as expert if their

level of wine knowledge is above average, moderate if their knowledge level is average, and novice if they show a below average level of wine knowledge.

Consumer knowledge has been a significant focus in consumer behaviour research and findings have uncovered a relationship between levels of product involvement and purchase behaviour, while there is some empirical support that the level of product involvement (high, moderate and low) may influence a consumer's overall need for information on a product prior to purchase (Bian & Moutinho, 2008; Hollebeek, Jaeger, Brodie & Balemi, 2007; Quester & Smart, 1998). Bruwer and Huang (2012) define the level of wine involvement as the extent of personal relevance of wine-related purchase decisions. Although the level of product involvement is an important variable in wine marketing segmentation, scant scientific research findings have been published on the impact thereof when purchasing New World wines such as South African wines.

Previous research investigated the influence of subjective product knowledge (Dodd, Laverie, Wilcox & Duhan, 2005; Moorman, Diehl, Brinberg & Kidwell, 2014), the role of perceived risk (Bruwer, Fong & Saliba, 2013; Lacey *et al*., 2009), and the effect of level of product involvement on choice attributes (Barber, Ismail & Dodd, 2007; Hollebeek *et al*., 2005). Within this context, there is an apparent void in the literature in that no published scientific literature could be identified that measures the combined influence of these variables. In addition, through discussions with industry leaders (for instance Marketing Director at Cape Legends Distell, Sales Director at Cape Legends Distell) a greater understanding on the purchase behaviour of South African wine consumers is of utmost importance to gain insights and align marketing strategies alike. Thus the **problem statement** for this study was formulated as: Do different levels of subjective product knowledge, perceived risk and product involvement influence the volume of South African (New World) wine purchased per month for consumers' own consumption?

Consequently, the **primary objective** was to determine if:

1) Different levels of subjective product knowledge, perceived risk and product involvement contribute to differences in wine purchase for own consumption in South Africa.

It can be argued that a higher level of product involvement results in an extensive product-related search for information, hence an increase in subjective product knowledge could lead to the reduction of perceived risk and ultimately a change in purchase behaviour. However a fundamental question remains: Which unique combinations of product attributes are important given various levels of subjective product knowledge, perceived risk and product involvement when purchasing wine for own consumption?

No academic literature that determines the importance of unique combinations of choice attributes and how they vary for levels of knowledge, perceived risk and product involvement, could be identified. This observation resulted in the **secondary objectives**, namely to:

2) Identify which wine product attributes are considered important for a sample of South African wine consumers when purchasing a bottle of wine for own consumption, and
3) determine whether the unique combinations of product attributes vary for different levels (low, moderate, and high) of subjective product knowledge, perceived risk and product involvement.

Current non-consumers of wine fall outside the scope of this study as the focus is on current wine consumers' subjective product knowledge, perceived risk and product involvement. The following section will provide a brief literature overview on the principle areas of the study.

1.2 LITERATURE REVIEW

In the introduction, wine was described as a highly complex product due to the fact that consumers do not always have the opportunity to taste the specific wine prior to purchase, and the fact that consumers purchase wine for different occasions which involves different consideration sets. It is therefore the purpose of the study to gain insight into consumer purchasing behaviour when selecting a bottle of wine for own consumption. The focus of the following section is to discuss subjective product knowledge, perceived risk and level of product involvement in relation to its influence on consumer wine purchase. Firstly, a contextual distinction should be made between

the Wines of the World and how various differences between Old and New World wines influence consumer purchase behaviour.

1.2.1 Understanding New World wine consumers

The distinction between Old World and New World wines provide consumers with a way to simplify and categorise proposed differences amongst wines produced in various countries (De Magistris, Groot, Gracia & Albisu, 2011). Some consumers believe that Old World wines represent sophisticated wine making methods and as a result of these methods produce superior wines, while others view these techniques as conservative and an attempt to protect historic trade methods. By contrast, New World wines are regarded by some industry stakeholders as experimental and innovative, thereby encouraging new product developments. Following the establishment and encouragement of an innovative orientation amongst New World winemakers, these wines could be regarded as the wines of the future (Banks & Overton, 2010). As the wines produced by different countries are believed to differ, so too are there differences between consumers that purchase the Old World versus the New World wines. The difference in flavour, variety and national origin are some of the indicators that have been reported to influence consumer choice (Muhammad, 2011).

In essence, marketers can use the distinction between consumers who purchase Old and New World wine as a means of segmentation combined with research on demographic segmentation (including factors such as age, gender, income, ethnicity, education and life stage). These findings lead to greater insight into purchase behaviour, and therefore to targeted marketing activities (Barber & Almanza, 2006; De Magistris *et al*., 2011). Subsequently the interest in wine consumer behaviour research has increased in volume and scope. Documented and peer reviewed research outputs are becoming more sophisticated as variables such as personality, involvement, product knowledge, perceived risk and motivation for purchase are included in wine purchase research (Jităreanu, 2012). For the purpose of the study at hand, the influence of different levels of subjective product knowledge, perceived risk and level of product involvement on wine purchase was investigated. This study was a result of an identified gap in wine consumer research, to determine the combined influence of these constructs on wine purchase behaviour within a New World wine context.

1.2.2 Subjective product knowledge and wine purchase behaviour

Measuring the impact of knowledge on consumer decision making has long been a focal point in marketing and consumer behaviour literature (House *et al*., 2004). Park and Lessig (1981) introduce the concept of consumer knowledge as a two-dimensional construct that includes the actual and perceived consumer knowledge of a particular product. Shortly thereafter, Brucks (1985) propose a refinement through three categories of consumer knowledge namely: objective product knowledge, subjective product knowledge and prior experience. However, according to Brucks (1985), knowledge based on experience is not significantly linked to behaviour. Similarly, it has been suggested that subjective product knowledge influences consumer behaviour in a more significant way compared to objective knowledge (Viot, 2012).

Viticulturist Richard Rose advocates that to increase wine consumption, specifically in the South African market, marketers must focus on increasing consumers' wine knowledge (Strategy key to growing SA wine industry in difficult times, 2013). This strategy could result in increased product knowledge, lower levels of perceived risk and ultimately (together with other factors such as promotional and brand awareness campaigns) positively impact wine purchase behaviour. Additionally, after investigating the influence of subjective wine knowledge for expert and novice wine drinkers, Viot (2012) suggests that future research studies should investigate subjective product knowledge based on three levels: expert, moderate and novice consumers.

1.2.3 Perceived risk and wine purchase behaviour

The concept 'perceived risk' was introduced to consumer behaviour research in the early 1960's by Raymond Bauer and can be defined as the instance where a product does not live up to a consumer's expectations, multiplied by the probability that this dissatisfaction will occur (Horvat & Došen, 2013). Since the 1960's, perceived risk has been one of the pillars of consumer behaviour literature, particularly when investigating consumer decision making. With any purchase decision a level of risk is involved, as the consequences of an action can be uncertain and may in some cases be unpleasant (Stone & Grønhaug, 1993). However, perceived risk is not a one-

dimensional construct. Six types of perceived risk have been suggested: functional risk; physical risk; financial risk; social risk; psychological risk and lastly, time risk (Bruwer *et al.,* 2013; Lacey *et al*., 2009).

The concept of perceived risk was introduced to wine research in the late 1980's by Mitchell and Greatorex (1989). These researchers focused in particular on consumers from the United Kingdom, and how perceived risk influenced consumer decision making when purchasing wine (Mitchell, 1988; Mitchell & Greatorex, 1989). Following on from their findings, Spawton (1991) proposed that the majority of wine consumers are highly sensitive to risk when purchasing wine and subsequently identifying risk-reduction strategies to alleviate risk has been a noticeable focus area in wine research. Some of the risk-reduction strategies include: using extrinsic cues to alleviate intrinsic quality, tasting the wine prior to purchase and gaining insight (wine knowledge) prior to purchase. Lacey *et al.* (2009) suggests that perceived risk, when purchasing wine for a specific consumption occasion (for example own consumption), should be investigated in more detail.

1.2.4 Level of product involvement and wine purchase behaviour

Historically, the level of involvement was used in research within the field of political persuasion. However, involvement eventually branched into consumer behaviour literature (Barber, Taylor & Strick, 2009). Zaichkowsky (1985) described the concept of involvement as the degree of perceived relevance of a product based on a consumer's inherent needs, interests and values. Similarly, Rothschild (1984) referred to involvement as a state of motivation, whereby personal relevance of the purchasing decision determines this level of motivation. This level of personal relevance depends upon various psychological stimuli namely: attention/processing involvement, personal/situational involvement, audience/process involvement and enduring/product involvement (Jaeger *et al*., 2009). Enduring or product involvement represents a more permanent or long-term concern with the product decision. Previous research on wine consumption suggested that the level of product involvement may depict a consumer's purchase quantities, overall perception of service delivery in store, satisfaction (prompting future sales) and references to others

(Barber *et al*., 2009). Based on this suggestion it is expected that the level of product involvement may influence wine purchasing for different consumption occasions.

1.2.5 Wine attributes and wine purchase behaviour

Due to the complex nature of wine purchasing, one of the major challenges for wine marketers is to determine which product attributes predominantly drive consumer choice (Ginon *et al*., 2014). In some cases, wine consumers have to rely on product attributes when selecting a bottle of wine. Many wine marketers use intrinsic and extrinsic product attributes to communicate superior quality or differentiating characteristics to consumers in an attempt to drive sales (Viot, 2012).

Ginon *et al.* (2014) and Viot (2012) suggest twenty five statistically significant wine attributes that can influence wine consumer decision making (refer to Appendix A). However, the question remains, what unique combinations of product attributes do South African consumers utilise in selecting a bottle of wine for own consumption?

The following section will provide a brief overview on the proposed research design that was used to collect and analyse the data in an attempt to answer the research questions discussed.

1.3 RESEARCH DESIGN

The research design provides a framework for researchers whereby methods and procedures are specified and used to collect, measure and analyse the necessary information (Sreejesh, Mohapatra & Anusree, 2014:27). For the purpose of this study, quantitative research was conducted to answer the research questions and test the stated hypotheses.

The following section will explain the use of primary and secondary research. This section also briefly describes the target population, methods, sampling process, fieldwork and the data analysis methods that were used in this study.

1.3.1 Secondary research

Secondary research is one of the first steps in the research process, where previous data, not composed for the purpose of the specific study, is collected. Secondary research has some major advantages: the availability of the literature and data, it is less expensive, it can be collected relatively fast, by collecting secondary data time and money is saved and secondary data eliminates the sampling and processing of data (Sreejesh *et al*., 2014:21; Zikmund & Babin, 2007:160). Disadvantages of secondary research may influence the use thereof namely: the data may be outdated, the definitions of certain terms may be different, the secondary researcher may have used different units of measurements and the data may lack critical information to confirm the accuracy of the data (Silver, Stevens, Wrenn & Loudon, 2013:42; Zikmund *et al*., 2010:161).

As discussed earlier, previous research investigated the influence of subjective product knowledge (Dodd *et al*., 2005; Moorman *et al*., 2014; Viot, 2012), the role of perceived risk (Bruwer *et al*., 2013; Lacey *et al*., 2009), and the effect of the level of product involvement on choice attributes when selecting a bottle of wine (Barber *et al*., 2007; Hollebeek *et al*., 2005). Therefore, this study is a semi-replica study that was conducted to determine how different levels of subjective product knowledge, perceived risk, and product involvement influence the volume of wine purchased (bottles purchased per month) for own consumption, more specifically in the South African wine market. This study attempted to fill a gap in New World wine research due to a lack of insight into variables that influence purchase behaviour within the South African market (Von Armin & Herbst, 2009).

Although secondary research (in the form of academic articles, textbooks and electronic information) assisted the researcher in gaining a better understanding of the constructs under investigation, it was essential to conduct primary research to solve the specific research problem and achieve the research objectives.

1.3.2 Primary research

Primary research allows the researcher to collect data addressing a specific research question, hence providing insight into a managerial problem (Silver *et al*., 2013:117). Primary data were collected to fill the gaps in the existing body of literature.

Sample design: The sample design provides an outlay of the procedure to identify and select the target population, the sampling frame used, the sample size, the procedure for ultimately selecting the sampling elements and how and by whom the sampling units will be reached (Zikmund *et al*., 2010:616).

For the purpose of this study, the target population was described as: South African wine drinkers, male and female individuals of all races, aged above the legal South African drinking age of eighteen. Screening questions were asked to ensure that the respondents were South African citizens, above the legal drinking age and whether the respondent has purchased a bottle of wine in the past three months. Viot (2012) suggests that respondents who answer questions pertaining to wine purchasing and in particular the level of product involvement, had to have purchased the product in at least three months prior to completing the questionnaire. A non-probability convenience sample with a sample size of between 200 and 300 respondents (completed questionnaires) was suggested to analyse the data statistically (Kidd, 2015).

Data collection and fieldwork: A self-administrated questionnaire (refer to Appendix B) was used to gather primary data. When investigating wine purchase decision making, it has been suggested that data obtained by incorporating hypothetical usage situations shows more concrete predictions of purchase behaviour than found in traditional consumer behaviour measurements of attitudes (Lai, 1991; Quester & Smart, 1998). Therefore, it is important to stress that the questionnaire was based on purchase for own consumption.

A questionnaire attempts to describe events and explore the reasons for activities to identify characteristics of the target market, making this method of data collection appropriate for the study at hand. Alongside the ability to describe events and explore

the reasons for activities, questionnaires provide relatively quick, inexpensive, efficient and accurate access to certain information regarding the population (Zikmund *et al*., 2010:186). The questionnaire for this study consists of six sections and a total of 75 items. Section A is a screening section (nationality and date of birth), followed by Section B addressing the importance of product attributes by using 25 best-worst scaling (BWS) items. Section C includes eight items on subjective product knowledge and the respondent's level of perceived risk is determined in Section D by means of 22 items. Section E comprises of six items that measure level of product involvement, and lastly Section F gathered demographic information. The questionnaire design and layout will be discussed in detail in Chapter 4.

Data processing and analysis: The raw (numeric) data collected from the measurement instrument was cleaned and coded, after which a database was compiled in a Microsoft Excel spreadsheet. This database was transferred to a statistical analysis software programme (Statistical Package for the Social Sciences – SPSS version 23), after which a series of statistical analyses were conducted. Two categories of data analysis techniques are evident: descriptive and inferential analysis.

Descriptive analysis: Descriptive analysis transforms data into an understandable format whereby basic characteristics of the population or sample can be displayed (Zikmund *et al*., 2010:413). The final section of the online survey requested respondents to provide basic demographic information such as: age, gender, gross monthly household income, ethic orientation and provincial residency. The output from this section (alongside screening questions in Section A) assisted the researcher to profile the sample and make more specific managerial recommendations.

Inferential analysis: When testing hypotheses, researchers are interested in determining whether the relationships found in the data may be inferred to the population from which the sample was drawn (Duncan, 2003:3-4). Therefore an inferential analysis should be conducted. To test the hypotheses measuring the *influence* of different levels of subjective product knowledge, or perceived risk, or product involvement, and the importance of different product attributes on purchase behaviour the use of *Analysis of variance (ANOVA)* as a statistical technique can be proposed. To test the *difference* between levels of subjective product knowledge, or

perceived risk, or level of product involvement and the volume purchased (bottles purchased per month) the use of *one-way ANOVA* was suggested.

1.4 ORIENTATION OF THE STUDY

The proposed study consists of the following chapters. **Chapter 1** provides an overview of the study at hand, an introductory discussion on key concepts (subjective product knowledge, perceived risk and level of product involvement), objectives and the purpose of the study. **Chapter 2** provides insight on wine as a product and the wine industry - in particular the South African wine industry, followed by **Chapter 3**, that reviews literature on consumer decision making and wine consumer purchase behaviour based on the key concepts introduced in Chapter 1. **Chapter 4** presents the research design and methodology. This chapter also provides more insight on the measurement instrument used, sampling procedure and the selection of respondents, fieldwork and data analysis. **Chapter 5** reports and discusses the results obtained through primary research. Lastly, **Chapter 6** deliberates the research conclusions and provides managerial recommendations with regards to realigning marketing strategies to grow market share within the South African wine market. Additionally, future research areas will be proposed and this chapter concludes with the limitations of the study.

1.5 CONCLUSION

The significant social, political and environmental changes since the early 2000's may give way to a shift in consumer purchasing patterns. This shift may create a need for realigning marketing strategies within the wine industry. The wine industry in particular has gained academic and commercial interest pertaining to the optimisation of marketing strategies. In a highly complex marketing environment, understanding the influence of different choice attributes on consumer purchase behaviour can be vital in developing marketing strategies to create a competitive advantage. As such, this study attempts to gain insight into South African wine consumer purchase behaviour and factors that influence decision making when selecting a bottle of wine for own consumption. The following chapter will provide insight into the history of wine and in particular reflect on the South African wine industry and the history thereof.

CHAPTER 2
A HISTORICAL OVERVIEW OF WINE

2.1 INTRODUCTION

Prior to the 1960's, wine producers were mostly production focused as investments in the establishment and optimisation of vineyards and the winery were key. From the 1960's onwards, the supply and distribution chains drew some attention after which, only in the late 1980's, a consumer and marketing orientation was introduced within the wine industry (Hall & Mitchell, 2008:306). This shift in orientation placed marketers under pressure to create consumer-led products due to changing demands and competitive pressure (Gluckman, 1990).

Since 1995, global wine consumption has increased noticeably and together with sustained high levels of production, a highly competitive market has emerged (Jităreanu, 2012). Subsequently marketing has become increasingly important in the wine industry. However, wine marketers face enormous challenges – some not faced by other industries. In short, these challenges entail that there is virtually no consumer brand loyalty toward wine as wine consumers enjoy experimenting with what is on offer, experiencing wines by different producers or trying different grape varietals. Additionally, the wine market is known to be saturated due to the high number of brands available (Wagner, Olsen & Thach, 2007:2-3). Therefore wine marketers face the challenge of having to differentiate brands in a highly cluttered marketing environment. To add to these industry challenges, consumers find selecting a bottle of wine bewildering due to the fact that the quality of wine cannot always be evaluated prior to the purchase, and consumers are under time pressure during purchasing (Neeley, Min & Kennett-Hensel, 2010; Lamb, Hair, Mc Daniel, Boshoff & Terblanche, 2012:36). Both industry challenges and consumer decision making challenges form part of the complex nature of the wine industry.

To address these marketing challenges, one should first explore and understand the history of wine, as well as the unique nature of particularly the South African wine industry. This chapter will allude to these themes, after which a justification of the

importance of consumer purchase behaviour insight (within New World wine countries) will be presented.

2.2 A BRIEF HISTORY OF WINE AND THE WINE INDUSTRY

Wine is an ancient alcoholic beverage, and the historic usage and relevance of wine can be found in many examples, such as the vine cuttings that were sometimes buried with the dead in the belief that these vines could be planted in the afterlife (based on Egyptian beliefs), Assyrian buildings displaying wine-related carvings and depictions of vines on some ancient coins. Furthermore, there are many references to wine in the Bible, of which the turning of water into wine to serve guests at a wedding ceremony is most well-known (Estreicher, 2004).

The Neolithic period (8 500 – 4 000 B.C.) is known for the establishment of permanent settlements (including houses, tamed animals and farming) and included the planting of vines and seeds. Due to the high amount of alcohol found in wine it was used to make drinking water safer (the alcohol acted as a purifier) and for medicinal purposes. Additionally, wine became part of religious rituals and gatherings. Consequently, wine formed an integral part of human interaction. Socrates, the classic Greek philosopher, invented the symposium – meaning “drinking together”, hence the origin of social drinking. Evidently, a rich ancient culture of wine is prominent in the history of Egypt, Greece and Rome (Estreicher, 2014).

After the fall of the Roman Empire (in 476 C.E.) waves of the so-called “Barbarians” (Greeks and Romans used this term in reference to their encounters with different foreign cultures) flooded Europe, seeking land and power. Many Barbarians converted to Christianity and perpetuated the planting of vineyards in the vicinity of churches. The impact of Islam and the Arabs is also present in the history of wine, as the Arabs invented wine distillation technology in the 8th century. The subsequent transfer of knowledge from Islamic countries to Western Europe influenced developments in medicine, science and technology (Hutchinson, 2006).

Distillation technology extended to a number of European countries by the late Middle-Ages, which resulted in the development of greater sophistication in wine making

methods. The second half of the 15th century marked the start of a new era of Western Civilisation and wine history with the expansion of trade. In 1498, Vasco de Gama rounded the Cape of Good Hope for the first time. Due to the fact that the Dutch had to provide supplies to ships en route around the Cape, a trade post was set up by the Dutch East India Company (Vereenigde Oost-Indische Compagnie, VOC) at the Cape of Good Hope in 1652. The first settlers arrived in South Africa in 1652 where Jan Van Riebeeck planted the first vines (Vitis vinifera) near Cape Town in 1655 (Estreicher, 2014). On the 2nd of February 1659, Jan van Riebeeck made the following entry into his diary:

> "Today – praise be to heaven – for the very first time the grapes of the Cape were pressed for winemaking..." (South African Wine, 2009)

This diary entry announced the date on which the first South African grapes were pressed for winemaking, signifying the first entry into the South African wine history books (Estreicher, 2004; Van Zyl, 1987). Jan van Riebeeck's entry in his diary correlates with the popular ancient sayings that wine can be enjoyed as "a chemical symphony", "bottled poetry" and "captured sunshine" (McGovern, Fleming & Katz, 1996:xii). The diary entry, marking the first pressing of wine, was made seven years after the founding of the Dutch settlement by Jan van Riebeeck at the foot of Table Mountain. Jan van Riebeeck planted these first vines in the Dutch East Indian Company's garden, after which he extended the vineyards by planting at Bosheuwel, an area of just over a 100-hectare along the Amstel River (Hands & Hughes, 2001:15). These cuttings were mostly imported from Western France (Estreicher, 2014; SA Wine Industry Directory, 2000:11). Van Riebeeck's example was soon followed by local farmers who were impressed by the quality of the Commander's vines and by the weight of his crops (Estreicher, 2004; Hughes, Hands & Kench, 1992:10).

However, Governor Simon van der Stel, who arrived in the Cape in 1679, was not satisfied with the quality of the wine produced in South Africa and expressed his concern about the "revolting sourness" of the local wines (Stevenson, 2005:442). As a result, Van der Stel proposed the establishment of a wine estate at Constantia in 1685, on the lower slopes of Table Mountain in Cape Town suggesting that this location could solve the "sourness" issue due to the quality of the terroir and climate

conditions (GrootConstantia, 2015; SA Wine Industry Directory, 2000:11). In 1688 the young South African wine industry was given a major boost with the arrival of 200 French Huguenots (Stevenson, 2005:442). Many of the French Huguenots had detailed knowledge of winemaking and therefore improved the Cape's wine quality, and by the early 1700's South African wines were held in high esteem (Estreicher, 2004; SA Wine Industry Directory, 2000:11).

As time progressed, the Cape wine viticulture was established beyond the boundaries of the Cape Peninsula, with many farms in the Stellenbosch and Drakenstein (now known as Franschhoek) regions. By the 1700's the Drakenstein region was producing more wine than the Stellenbosch and Constantia wine farms (SA Wine Industry Directory, 2000:11). In 1699 Simon van der Stel was succeeded as governor by his son, Willem Adriaan, who used his wine farming expertise to further enhance the quality of the farms in the Cape (Estreicher, 2004).

In 1761, the Constantia wine farm exported wine to Europe and by 1778 reached a level of quality that was recognised throughout Europe (GrootConstantia, 2015; Hands & Hughes, 2001:17). In 1788 the Cloete family acquired the Groot Constantia wine farm and produced natural sweet wines that were appreciated by European kings, emperors, statesmen and merchants (GrootConstantia, 2015; SA Wine Industry Directory, 2000:11; Hughes *et al*., 1992:20). These sweet wines remained the Cape's best-known and most desirable wines for almost two centuries.

In 1806, the French Revolutionary forces entered Holland and the British occupied the Cape. The British, who were cut off from supplies of French wines, began exporting South African wines to all the corners of the empire. The exports led to South African wines becoming well known in the British Empire, which enhanced its growing reputation abroad (Stevenson, 2005:442). In 1825 the British Government imposed heavy tariffs on the importation of French wines, which led to rapid increases in Cape wine sales (Hughes *et al.*, 1992: 20). Exports of Cape wines to Britain alone had reached 45,000 hectolitres (one million gallons) per year by 1859. However, Richard Cobden and William Gladstone from Britain negotiated a confidential commercial treaty with the French, which had a devastating effect on wine trade between Britain and South Africa (Cape wines). The effect of these secret negotiations resulted in a

major decrease in wine sales for the Cape: 22,000 hectolitres in 1860, 5,700 hectolitres in 1861 and by 1965 as little as 4,200 hectolitres were exported (Stevenson, 2005: 442). To compound matters, the South African wine industry suffered a further decline in sales during the 19th century due to epidemics of powdery mildew and Phylloxera Vastarix (a vine disease) while global, political and market forces led to a tremendous over-production of wine in 1918 resulting in a major drop in wine prices (SA Wine Industry Directory: 2000:11).

Relief was brought to the decrease in demand of export wine (sales), when gold and diamonds were discovered in the 19th century in South Africa. This discovery led to an increase in the demand for vineyards, but the sudden wealth of immigrants (due to the discovery of gold and diamonds) and the onset of the Boer War, lead to a drop in wine production at home and abroad (Estreicher, 2014; Stevenson, 2005:444).

In 1918 KWV (Ko-operatieve Wijnbouwers Vereniging van Zuid-Afrika Beperkt) was formed by Charles WH Kohler whose vision was to regain local and international renown for the South African wine industry (SA Wine Industry Directory 2000: 11). KWV, a government-backed institution, decided to distil half of the country's annual wine production into brandy as a primary action to regain the Cape's wine reputation and enhance the quality of the wine produced (Stevenson, 2005: 444). KWV brought an era of secure income and financial growth for wine producers. The actions by the KWV, in conjunction with developments in scientific and technological expertise, helped rekindle the South African wine industry. KWV converted into a company in December 1997 and joined forces with the Wine Industry Trust in February 1999. A major motivation for converting to a company was to enhance wine related research and support new farmers from previously disadvantaged groups (Estreicher, 2004; SA Wine Industry Directory, 2000:11).

Due to ever changing consumer demands and industry trends, the wine industry is constantly developing and posing a challenge for marketers. Until the late 1990's the wine market was dominated by wines from countries such as Italy, France, Spain, and Germany but this has changed since wines from Australia, Chile, Argentina, China and South Africa gained interest (Estreicher, 2004, 2014; Pesme, 2017). Therefore literature makes a distinction between Old and New World wine countries, showcasing

for example diverse characteristics pertaining to their respective wine production methods (Cholette, Castaldi & Fredrick). The following sections will provide a brief overview on the putative differences between Old and New World wine countries.

Old World wine countries: Old World wine is mostly produced in Western and Southern Europe, and the main criteria distinguishing it from New World wine is the age-old and relatively unchanged methods of production (Banks & Overton, 2010). Notwithstanding their strong held reputation, Old World wine countries (such as Italy, France, Spain and Germany) face a significant challenge in the 21st century. Today, Old World wines no longer dominate the international wine industry to the extent to which they once did. A significant shift has been recognised in the international production, export and consumption of wine, influencing the traditional approach followed by Old World wine producers and marketers (Aylward, 2003).

Notably, Old World wine countries still perceive country of origin as the most significant competitive advantage that builds brand equity allowing for premium prices for wines produced in these countries (Hollebeek *et al,* 2007). However, 21st century consumers are becoming more sophisticated wine purchasers that consider a wide variety of variables when selecting a bottle of wine – not only country of origin (Jităreanu, 2012). Notwithstanding the changes among wine consumers' purchase behaviour, the challenge for New World wine countries remain, as wine is still perceived by many consumers as an Old World product. This perception is due to the dominance of European countries in all major production, trade and consumption of wine. Aylward (2003:31) however reports a "seismic shift" in this perception, signalling that the end of Europe's monopoly in the wine industry is near, followed by similar assumptions made by De Magistris *et al.* (2011). In addition, Valli (2014) from COGEA (Consulenti per la gestione aziendale / Italian business management consultants) conducted a study on European wine countries' sales and market share and reports that data between 2000 and 2012/13 show stability within sales, but an overall decrease in market share. The study makes projections based on available data and suggests that the decrease in market share will continue (also influencing overall sales) up to the 2025 horizon. Valli (2014) suggests that a major source of concern for European wine countries is the rise in consumer popularity and preference for New World wine country

wines backed by an increase in exports of these wines. These trends consequently show a gradual substitution effect in market share since 2007.

New World wine countries: New world wine countries include: Australia, Chile, Argentina, USA (particularly the California region), South Africa, New Zealand and Brazil. Currently New World wine countries experience a rapid expansion in production as consumers try new wine cultivars and experience different wine varieties from different countries (Hollebeek *et al.*, 2007; Jităreanu, Chiran & Gîndu, 2014). The international wine market has, as a result of this expansion, undergone significant restructuring where wine consumers no longer only recognise Old World wines as superior quality and value-for-money consumption, but New World wines are perceived in a similar light as Old World wines (Aylward, 2003). New World wines have a number of competitive advantages (Simms, 2005).

Firstly, Simms (2005) explains that these wines can be produced more cheaply due to availability of land. Secondly, New World wines are easier to drink, as most Old World wines (in particular French wines) are typically produced to pair with food. Lastly, these wines can be drunk soon after bottling, due to differences in weather conditions and production methods. Attributable to these advantages, branding and marketing opportunities for New World wine marketers are diversified. In branding and marketing New World wines, marketers focus on communicating grape variety along with innovative production styles to create strong proprietary brands (Remaud & Couderc, 2006).

The South African wine industry, for example, has been recognised as an emerging player in the global alcohol market, increasingly so since the post-apartheid market liberalisation during the mid-1990's. As a result, the interest among researchers to investigate consumer purchase behaviour from a South African perspective has expanded (Banks & Overton, 2010; Cholette, Castaldi & Fredrick, 2005; Cusmano *et al.,* 2010; Parry, 2005). Alongside the democratisation (post-apartheid era) of South Africa, another factor that spurred the research interest toward the South African market is the revolution of its wine industry over the past 350 years (Appendix C provides a brief overview of the chronological timeline of milestones in the South African wine industry over the previous 350 years). Major changes are noted in terms

of the quality of production, where South Africa is now one of the New World market leaders (Lovallo, 2013). However, the South African wine industry (even while being recognised as a growing player) is not without challenges and therefore the differentiated characteristics of the South African wine industry will be alluded to in the following section.

2.3 THE DIFFERENTIATED SOUTH AFRICAN WINE INDUSTRY

The South African wine industry denotes a wider product range than just the original perception of the word “wine” and includes: wine (natural, fortified and sparkling), wine used in brandy and other forms of distilling, grape juice concentrate, and grape juice used in wine and non-alcoholic products. The suppliers of these wine products can be categorised into large industry players (such as Distell capturing 41% sales volume, DGB, Meridian wines, Really Great Brand Company, Vinimark and Cape Ardor who dominate online sales market share) and smaller privately owned wineries (Euromonitor International, 2017).

In 2014 a total annual harvest of 1 181.9 million litres “wine” was recorded of which 81.2 per cent was devoted to making wine, 4.5 per cent to wine for brandy, 11.3 per cent to distilling wine and 3.0 per cent to grape juice concentrate and grape juice (WOSA, 2015:3). Even though the post-apartheid revolution in wine trade brought about a significant growth in exports, amounting to a 196 per cent increase between 2000 and 2012, there have been some significant declines since 2014. For instance in 2013 the total exports of South African wine increased by 26.0 per cent to 525.6 million litres, however exports have decreased to 422.7 million litres in 2014 (WOSA, 2015:4–5).

Ewerta, Hanfb and Schweickert (2015) argue that even though the relatively linear increase in exports since 2000 has been positive for the South African wine industry, the reported downward trend in exports are a cause for concern. It has been suggested that despite the slight annual increase in production volume in 2014 and 2015, the quality of wine produced has declined – ultimately influencing demand. Extending the concern of decreasing exports, South African wine producers are still faced with a number of challenges, irrespective of two decades of continuous production

'upgrading' (Ewerta *et al*., 2015). For example in 2015, South Africa was ranked number eight in overall wine volume production, producing only 4.2 per cent of the world's wine. In contrast, other New World wine countries (United States, Argentina, Chile, and Australia) produced higher volumes between 2014 and 2015, ultimately showcasing greater product demand (WOSA, 2015:22-24).

Researchers suggest that the South African market may expand at a slower rate between 2014 and 2018, causing further concern for market growth. Industry stakeholders attribute the slower expansion rate to inter alia the unpredictability of the Rand exchange rate, the intense wine segment rivalry, increasing availability of non-wine product alternatives in the market, and troublesome global economic circumstances (for example the instability of the European Union, the United States' stagnating economy and gradual market growth shown for China) (Marketline, 2014; WOSA, 2013). The anticipated slower growth rate has become more evident as the overall market return on investment rate has decreased to 1% in 2016. Veseth (2017) reported that in 2016, according to Vinpro (2016), only 13% of wineries operate at a sustainable income level while 44% operate at break-even and even more cumbersome that 40% operate at a loss.

Regardless of all the industry challenges, the popularity of wine remains unquestionable, illustrated by the fact that the number of consumers globally who drink wine at least once a week increased by 38 per cent since 2000 until 2010 (Neeley *et al*., 2010). However, the concern of declining exports and production volumes alongside ever changing consumer demand may place added pressure on South African wine marketers. As a result, a greater understanding of variables that influence consumer wine purchase behaviour and decision making to enhance the growth of the South African wine industry and consumer market is required.

2.4 CONCLUSION

In the early 1900's the wine industry had a production focus, however since the 1980's a consumer and marketing orientation was introduced. Due to major increases in global wine consumption since 1995, marketers face unique challenges: firstly, to export wines to targeted countries whilst remaining competitive in local markets and

secondly, to differentiate the product due to a highly cluttered marketing environment. These competitive pressures highlight the importance for marketers to understand consumer purchase behaviour. As a result, the wine industry has become a benchmark for product diversity and wine marketers have started realising its full potential, namely offering the world a unique and mesmerising experience.

Global wine marketing literature proposes that a number of distinctive characteristics indicate differences between Old and New World wine countries. These unique characteristics create advantages in branding and marketing opportunities for wine marketers. The South African wine market in particular drew significant research attention since the early 2000's due to unique challenges, distinctive industry characteristics and a suggested slower rate of expansion between 2014 and 2018. Despite the challenges that the South African wine industry faces, the solution for these challenges can be found amongst the most creative strategies in marketing and consumer behaviour. Therefore, the following chapter will provide insight on consumer wine purchase behaviour and decision making.

CHAPTER 3
CONSUMER DECISION MAKING: PRODUCT ATTRIBUTES, PRODUCT KNOWLEDGE, PERCEIVED RISK AND INVOLVEMENT

3.1 INTRODUCTION

Research into wine purchase behaviour has increased in volume and scope since the early 2000's, due to an increase in popularity of wine consumption (Neeley *et al*., 2010). In particular, New World wine research findings and recommendations urge marketers to be responsive to changes in consumer purchasing patterns to ultimately align these changes with marketing efforts (Cusmano *et al*., 2010). In response to the growing amount of wine purchase research, the focus has shifted toward more complex variables that influence consumer purchase decision making, such as personality, involvement, product knowledge, risk and motivation for purchase (Jităreanu, 2012).

In an attempt to better comprehend the unique network of antecedents that influence wine purchase behaviour, a variety of wine marketing and purchase behaviour studies have been documented. Camillo (2011) suggests that the main attributes that influence the purchase of wine and other consumables include: *product attributes*, *product knowledge*, *perceived risk*, *product experience***,** and *involvement levels*. A number of studies have investigated these attributes in isolation, however a clear indication is given by theorists that these significant variables should rather be studied in combination to recognise the complexity of the antecedents of wine purchase behaviour.

To provide the necessary context and theoretical point of departure to investigate the influence of product attributes, subjective product knowledge, perceived risk, and the level of product involvement on wine purchase behaviour, it is deemed important to propose a conceptual theoretical framework of wine consumer decision making. This conceptual theoretical framework was compiled based on insights from various consumer decision making models and wine specific study findings as suggested by Barber and Almanza (2006); Foxall (1993); Ginon *et al.* (2014); Hawkins and

Mothersbaugh (2013); Jaeger *et al*. (2009); Jităreanu *et al*. (2014); Lockshin (2003); Sachdeva (2015); and Schiffman *et al*. (2014). Product attributes (product), product knowledge (subjective), perceived risk (perception), and level of product involvement (motivation) is highlighted in the framework. The conceptual theoretical framework is presented in Figure 3.1.

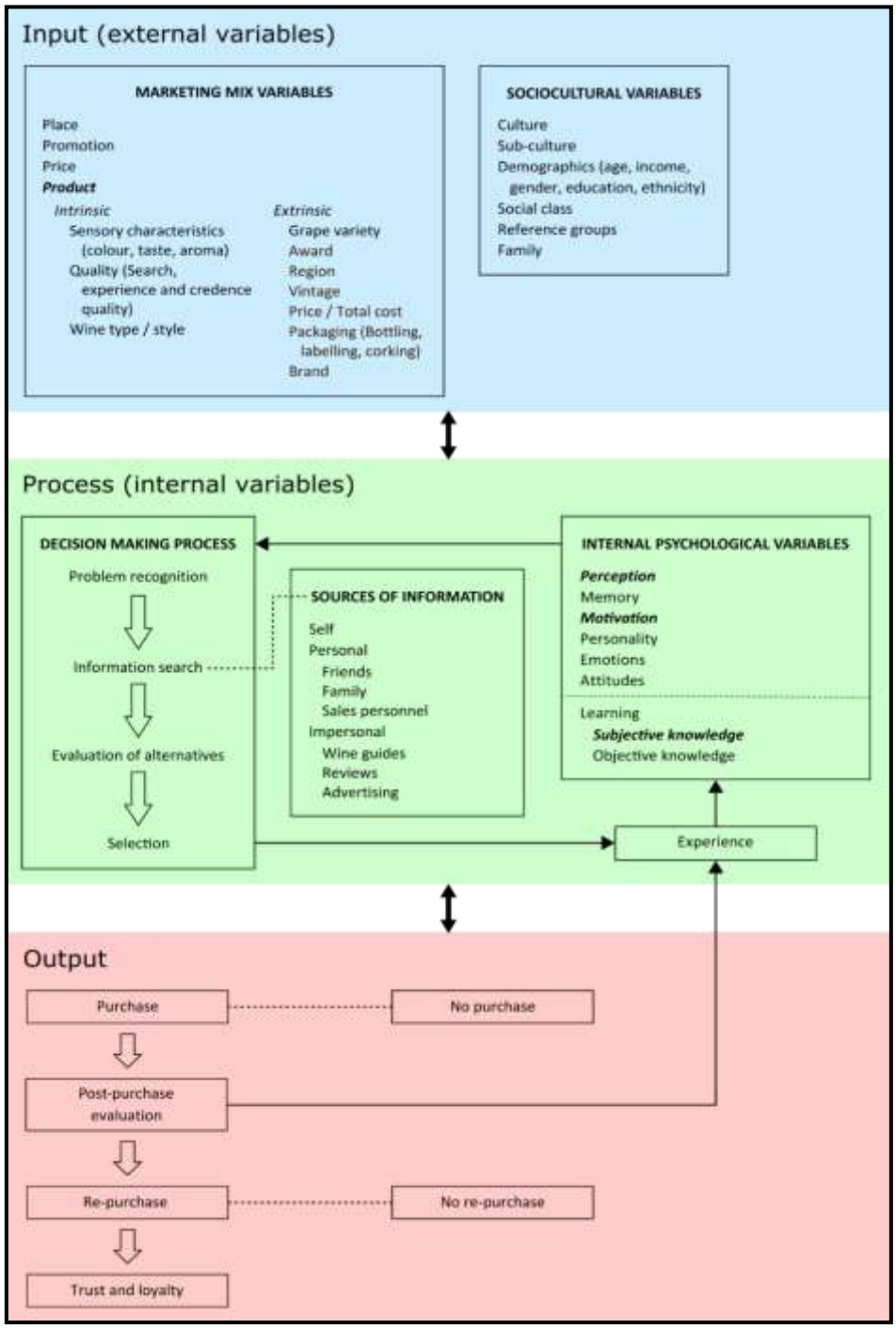

Figure 3.1: Conceptual theoretical framework: Consumer decision making

Sources: Barber and Almanza (2006); Foxall (1993); Ginon et al. (2014); Hawkins and Mothersbaugh (2013); Jaeger et al. (2009); Jităreanu et al. (2014); Lockshin (2003); Sachdeva (2015); and Schiffman et al. (2014)

This chapter will firstly present a brief overview of consumer decision making, based on consumer purchase decision making models that provide broad and organised structures reflecting different viewpoints within a given context (Erasmus *et al*., 2001). Secondly, an overview of external and internal variables that influence wine purchase behaviour will be provided. Thirdly, to delineate the study, an in depth overview of subjective product knowledge, perceived risk and level of product involvement will follow. Lastly, the researcher will show the significance of combining product attributes, subjective product knowledge, perceived risk and level of product involvement for the study at hand.

3.2 INPUT (EXTERNAL VARIABLES)

Below, Figure 3.2 presents the Input (external variables) component of the consumer decision making framework which will be discussed in more detail and linked to wine consumer decision making in the following section.

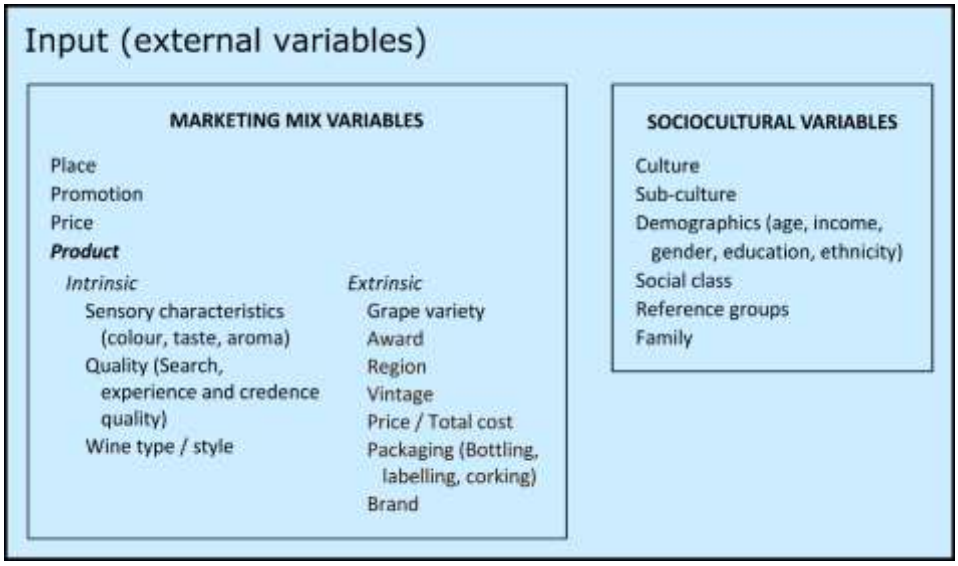

Figure 3.2: Input (external variables) component of the consumer decision making process

Source: Erasmus et al., 2001; Hawkins & Mothersbaugh, 2013:25; Schiffman et al., 2014:15–16

According to Spawton (1991) the 4P marketing mix originated in the 1960's, based on research by Borden (1964). Borden (1964) first identified twelve marketing elements which could be controlled by marketers. The seminal work of Mc Carthy (1964) reduced the number of elements to four, namely: Product, Price, Promotion and Place.

The marketing mix has ever since been seen as a marketer's toolkit to facilitate transactions between the business and the consumer, and the elements were therefore used in operational marketing planning (Constantinides, 2006). These marketing mix variables also extended to wine marketing (Bruwer *et al*., 2013; Spawton, 1991).

Wine marketing can broadly be defined as follows: how a producer defines, promotes and distributes wine whilst maintaining a relationship with consumers in a highly fragmented market (Wagner *et al*., 2007:6). Even though the definition of wine marketing is similar to that of marketing, the unique constraints of the product do result in some challenges. Wine has some unique constraints and can thus be classified as a highly complex product for both consumers and marketers. The experience of purchasing wine is complex for consumers as it is based on a variety of information sources, prior knowledge and usage experience (Barber & Almanza, 2006). Similarly, for marketers, wine is a complex, almost mysterious product. Wine embodies a number of controversial images (Hall & Mitchell, 2008:2):

- It is a luxury item and a sustenance provider;
- the consumption thereof is associated with a healthy lifestyle however if consumed in excess could be harmful;
- it represents a symbol of status and is a beverage consumed by 'peasants';
- it has religious and cultural significance and in turn can be associated with riotous and ruthless behaviour;
- and lastly wine can be a fashion item, an experience and a commodity all at once.

As a result of the unique challenges wine marketers face, the finding made in wine marketing literature argued that there are more than four elements wine marketers should consider when planning marketing, adding Positioning (building a competitive image in the mind of the consumer) and Country of Origin to the traditional 4P marketing mix (Felzensztein, Hibbert & Vong, 2004; Spawton, 1991; Wagner *et al*., 2007:6–7). The traditional marketing mix and additional wine marketing mix elements (Positioning and Country of Origin as part of product attributes) will be discussed in brief.

Place and Promotion: The *Place* element deals with were the product will be distributed to, and where consumers will be able to purchase the product. The *Promotion* element refers to all advertising, personal selling, public relations and sales promotions activities (communication mix) used as a means to communicate the competitive advantage of a particular product to consumers (Lamb *et al*., 2011:338; Spawton, 1991). Marketing communication is an essential part of the marketing mix as it informs consumers of the unique product benefits, consequently positioning the product in the mind of the consumer. Beverland and Luxton (2005) for instance, investigate the importance of marketing communication within the wine industry and found significant evidence that suggests that wine brand managers find communication of unmatched importance in positioning the product and establishing a competitive advantage.

Price: *Price* has traditionally been dominant in influencing consumer decision making, and up to 40 per cent of the search for information is dedicated to price related issues (Beneke, 2010). During information processing, consumers may interpret price as either a quality indicator or an indicator of the monetary sacrifice being made. From a marketing perspective, pricing strategies (price penetration, skimming, premium pricing, promotional pricing) is a means to create a competitive advantage and communicate value to consumers in store (Lamb *et al*., 2011:425 – 427). Penetration pricing implies that, to gain market share, products are introduced to the market at lower prices that will rise over time, whereas price skimming infers that products are introduced to the market at higher prices that will fall over time to show quality and superiority. It has been found that higher quality products will engage in skimming strategies where products are highly differentiated, while in an environment where products are less differentiated penetration pricing will be used (Chen, 2008). Products are offered at a premium price to show superior quality and research indicates that such strategies are used when the differentiating strategy is implemented successfully (Winrow & Johnson, 2010). Promotional prices are temporary price reductions aimed at attracting consumers' attention in-store and to use these significant price reductions for advertising (Weis, 2014). Wine pricing strategies in particular have been a significant focus of wine marketing literature, showcasing that the price of wines is related to the quality, reputation and characteristics of the wine (Lockshin, 2003). It has been suggested that price is used as an important cue in decision making when

there are little other attributes available to base a decision on, the product cannot be evaluated (tasted) prior to purchase, and there is a degree of perceived risk in making an incorrect decision (Beneke, 2010; Lockshin, 2003).

Product: Pertaining to consumable products, such as wine, the fourth P element of the marketing mix is the most complex of all namely the product. In an attempt to understand the complexity of the wine product and wine purchase decision making, wine product attributes that influence consumers' wine selection are traditionally divided into intrinsic and extrinsic product attributes (Ginon *et al*., 2014).

Intrinsic product attributes refer to the functionality of the product related to particular physical aspects (Fandos & Flavián, 2006), for example the wine inside the bottle. Hence, intrinsic attributes cannot be changed or manipulated after bottling. For wine, examples of intrinsic attributes identified through consumer research are: colour, smell, leanness (indication of acidity), marbling (fattiness), cut (precision) and juiciness (Northen, 2000). Previous quality-perception research has suggested that extrinsic attributes strongly influence consumers' quality perception and ultimately their wine selection (Orth & Krška, 2002). The *intrinsic product attributes* included in this study are: *grape variety* (also displayed on packaging as an extrinsic attribute), the *colour of the wine*, *alcohol content*, and whether the wine is *easy to drink* (could be used in promotion). Consumers utilise the *grape variety and colour* of the wine as quality indicators. Some consumers consider the *alcohol content percentage*, as this percentage correlates with flavour and the balance of the wine. The *ease of drinking* can be used as a unique selling proposition in promotion, however the actual experience can only be verified upon consumption. Some occasions may lend itself toward "easy drinking wines" such as casual events (usually associated with lower prices) whereas for some formal occasions, more complex wines are preferred (usually associated with higher prices) (Lockshin, 2003).

Extrinsic product attributes include all packaging material, but most importantly the information provided on the wine label. As mentioned earlier, Ginon *et al.* (2014) and Viot (2012) suggest twenty five statistically significant wine product attributes that influence wine consumer decision making (refer to Appendix A). The recommendations from these studies were to test the significance of the twenty five

wine product attributes in other settings, for example New World wine countries. Thus, the extrinsic attributes included in the study are: whether the wine was *bottled at the estate* where it has been produced, the *opinion of sales representatives*, *price*, *medals or awards* presented on the bottle, the *country of origin*, *promotions*, *recommendations by family or friends*, the *region of production (terroir)*, whether the wine is made from *organic vines*, the *bottle shape or design*, the *vintage (year)*, the display of the *wine merchant name*, whether a *cork or screw cap closure* was used, the *label shape or aspects*, the *opinion of the press*, the *brand name*, whether the *wine is environmentally friendly* (including the intrinsic product for example fair trade or organic grapes, and the extrinsic packaging for example displaying symbols of fair trade and organic), the *general look of the bottle*, an *experts opinion*, the *information on the front and back label*, and the *aging methods* used.

Research recommendations of the external attributes of *price* and *packaging* have been the primary focus of many scientific wine publications. As discussed earlier, accumulated theoretical and empirical findings suggest that *price* depends on wines' quality, objective characteristics and reputation (Oczkowski, 2001). In general *price* is perceived as an essential attribute to consumer decision making, even more so for wine, as price is a quality indicator and to some degree can reduce a consumer's perception of risk (Ginon *et al*., 2014).

Wine packaging and labels have undeniable influence on wine purchase decision making and, as mentioned earlier, forms an integral part of wine promotion. Wine packaging provides information to consumers and signifies key recognition features during purchase. Wine packaging can therefore be used to establish an image in the mind of the consumer. Wine packaging includes the front and back label, the bottle and bottle shape, cask, package and award stickers (Lockshin, 2003). Labels assist consumers in recognising a particular wine by its shape, colour, design and information offered. Information provided on wine labelling may include: brand name, grape variety, award stickers, region of origin, vintage, farm information and wine description (Barber *et al*., 2006).

Based on the preceding discussion on product attributes an attempt will be made to answer the *secondary research question*, relating to the unique combinations of wine

attributes influencing the volume of wine purchased for own consumption depending on different levels of subjective product knowledge, perceived risk and level of product involvement, wherefore the following hypotheses were formulated:

> H_{01}: Consumers with different levels of subjective product knowledge do not consider similar combinations of product attributes to be important when purchasing South African (New World) wine for own consumption.
>
> H_{02}: Consumers with different levels of perceived risk do not consider similar combinations of product attributes to be important when purchasing South African (New World) wine for own consumption.
>
> H_{03}: Consumers with different levels of product involvement do not consider similar combinations of product attributes as important when purchasing South African (New World) wine for own consumption.

Alongside the 4P marketing mix variables, the **sociocultural variables** such as culture, subculture, demographics, social class, reference groups and family are classified as input (external variables) that influence consumer decision making.

Culture and sub-culture: Understanding the relation between *culture, sub-culture* and the influence thereof on consumer decision making have become complex due to globalisation and high speed changes in technology. For example the territorial based notion of culture and sub-culture have been diminished by advancements in online activities, giving way to cultural interpenetration. This evolution results in a modern understanding of culture and subculture as a geographically dispersed, but interlinked entity among individual groupings (Cohen, d'Hauteville & Sirieix, 2009; Foxall & Wells, 2012:47–48). Subsequently a movement towards a global culture is evident. However, the concept of culture and subculture still has a noticeable influence on consumer decision making to the extent that it influences how individuals frame a problem and consequently seek solutions for the recognised problem (Weber & Morris, 2010). McCracken (1986) propose culture as a "lens through which the individual views phenomena" and ultimately base decisions on. With regards to wine purchase behaviour, Mueller, Remaud and Chabin (2011) argue that generational difference

significantly influences trans-cultural similarities. It was for instance found that Generation Y consumers purchase specific wines as a symbol of success and status. The findings by Mueller *et al*. (2011) added that cultural difference between countries exist, for instance wine involvement or interest and consumption increases with age in many European (mainly Old World) countries.

Demographics: Similarly, consumer choice is influenced by *demographic characteristics* such as age, gender, income, ethnicity, life stage, education and occupation of individuals (Jaeger *et al*., 2009; Liu & Murphy, 2007; Schiffman *et al*., 2014: 53–54). An extensive amount of research has been conducted on the influence of demographic characteristics on consumer purchase behaviour and market segmentation pertaining to wine consumers (Atkin, Nowak & Garcia, 2007, Barber *et al,* 2006; Bruwer & Li, 2007; Garrett, 1997; Johnson & Bruwer, 2003; Kerr, Greenfield, Bond, Ye' & Rehm, 2004; Nelson, 1997; Nicholson, 1990; Tassiopoulos, Nuntsu & Haydam, 2004; Thach & Olsen, 2006; Tsui & O'Reilly, 1989). It has been suggested that segmenting by means of demographic characteristics will allow marketers to implement differentiated marketing strategies to set themselves aside from competitors (Gil & Sánchez, 1997).

Due to the oversupply of wine in the global market, marketers have had to use creative marketing strategies to target specific groups of consumers (Thach & Olsen, 2006). For instance, many wine marketing efforts have segmented consumers based on *age*. For example young adult wine drinkers, also called the Millennials (aged 18-29 years according to Fountain and Lamb, (2011)), have been the focus of many studies and have proven to be a highly influential group within the wine industry based on interest and purchasing power (Agnoli *et al.,* 2011; Kennett-Hensel, Neeley & Min, 2011; Thach & Olsen, 2006; De Magistris *et al*., 2011).

Similarly, there has been an increase in the investigation of *gender* among wine marketing researchers (Barber *et al*., 2006; Bruwer, Saliba & Miller, 2011). Barber (2009), for example, found that gender influences the intensity and extent of the search for information during wine purchase decision making, and suggests that males are more prone to make a decision based on a "gut feeling", whereas females take a more

comprehensive approach by considering information on packaging and impersonal sources such as sales assistant recommendations.

Markets are often segmented based on individual or household *income*. Income indicates whether consumers can afford to purchase a specific product. Income, education and occupation tend to be closely related and this relationship is suggested to be a cause-effect relationship. Bruwer (2002) suggests that most wine consumers can be categorised as high income consumers with tertiary education, employed in professional and managerial positions.

The influence of *ethnicity* in wine purchase decision making has been investigated in many settings. For example, South African wine industry leaders argue that the number of black wine consumers is increasing, with female consumers leading the way. However, the belief that it is socially unacceptable for black consumers to purchase and consume wine, especially female black consumers, still exist within the South African market. As a result, some South African wine marketers argue that investigating the emerging domestic markets, such as the so-called Black Middle Class, could provide insight into the complex South African wine market (Ndanga, Louw & Van Rooyen, 2010). Nonetheless, to investigate the purchase behaviour of such an emerging market (such as the Black Middle Class) fell outside the scope of the current study, however could extend to future research within a similar context.

The results of research on the influence of *life stage* on wine purchase behaviour has been somewhat contradicting amongst cross-cultural studies, however there is evidence that indicates that purchase patterns change with age, experience and maturation of taste. For example, it has been suggested that as consumers age, their preference for wine changes from white to red wine as they become more experienced with wine (Fountain & Lamb, 2011). As a result the complex interrelationship between age, life cycle and periodic effects have become apparent as wine research topics.

Notwithstanding the fact that demographics are a fundamental base for segmentation, arguments have been raised that this base is inadequate to describe and provide significant purchase information on consumers from which marketers can successfully penetrate the target market (Bruwer *et al*., 2011; Bruwer, 2002).

Social Class: Some wine decision making variables have attracted less interest from researchers since the 1980's (Rossiter, 2012). One such variable is *social class*. By means of the social class classification, researchers attempt to divide members of society (individuals or families) into specific classes based on their hierarchical position upon a continuum (Hugstad, Taylor & Bruce, 1987; Ryabov, 2016; Schiffman *et al*., 2014: 282). This continuum is based on an individual's occupational status, income and educational levels, however it has been argued that these are non-causal elements that do not significantly correlate with actual behaviour (Rossiter, 2012). Still, wealth, education and occupation (objective resources) are the most observable signals of social class (Kraus, Piff & Keltner, 2011). The frequently used classification of social class is based on a five-category social class measure dividing members of society (based predominately on income levels) into lower class, working class, middle class, upper middle class and upper class (Hugstad *et al.,*1987; Schiffman *et al*., 2014:283). Even though social class as a construct is not frequently investigated by wine researchers, the effect of income (a sub-variable of social class) has been investigated and found to have a significant influence on wine purchase behaviour (Barber & Almanza, 2006). Marketers suggest that social class can influence the search for information considerably due to the indirect effect of education levels. Alongside social class, reference groups and family ties have a significant influence on the information search and ultimately on decision making (Williams, 2002).

Reference groups and family: Marketers believe that individuals rely upon and act in accordance to *reference groups* (Bearden & Etzel, 1982; Schulz, 2015). A central theme in reference group research is social comparison, whereby consumers compare themselves to individuals in similar or lower social classes or through upward social comparison to an aspirational group (Amaldoss & Jain, 2008). Ultimately, social comparison influences a consumer's self-evaluation and behaviour. Four major classifications of reference groups are noted (Childers & Rao, 1992; Cocanougher & Bruce, 1971; Schiffman *et al*., 2014:225).

Firstly, a *normative reference group* influences an individual's broadly defined values and behaviour. Members of an individual's immediate family are an example of such a reference group. In some cases, family members form a part of an individual's immediate social network with which they strongly identify, resulting in these family

members being influential reference group members during decision making (Childers & Rao, 1992). Two major streams of research are evident within consumer behaviour literature pertaining to family and consumer decision making, namely socialisation and family decision making based on consumption-related roles (Aoud & Neeley, 2008; Lee & Beatty, 2002; Schiffman *et al*., 2014:271–274; Shim, 1996). Some significant findings from these two streams of research are: a) the changing role of females within households, due to double income households and an increase in single-mother households resulting in an increasing number of career driven females, b) non-traditional cultural norms that develop due to modern family dynamics such as same sex and cross-cultural households, and c) noticeable changes regarding the impact that children or adolescents have in household decision making (Lee & Beatty, 2002).

Some of the major findings from family research could be of interest to wine marketers. For example findings on: husband-wife purchase behaviour, family members that influence occasion-based purchase behaviour and the influence of family income levels on purchase behaviour. Some research findings on these topics will be discussed in brief below.

Findings suggest that husband-wife purchase behaviour is more opposite than coincided when purchasing consumable products - in particular wine (Bastian, Alant, Li & Bruwer, 2005; Ferber & Lee, 1974; Heilman, Kaefer & Ramenofsky, 2012). Wine marketers could use such findings to ensure that the development of the marketing mix variables relate to husband-wife preferences and consequently influence purchase behaviour.

The 2015 Gallo Consumer Wine Trends Survey, commissioned by E. & J. Gallo Winery, propose that 85 per cent of frequent wine drinkers believe that wine is appropriate for casual and formal settings alike. For instance, consumers may purchase wine for family related occasions which may in turn influence purchase behaviour. Orth and Kahle (2008) propose that wine consumers will focus on quality when hosting family and friends or when giving wine as a gift, whereas value for money (and other emotional benefits) will be influential in purchases for own consumption. Mazzolari and Ragusa (2007) found that high income families influence changes in product demand and consumption as these families are in many instances seen as

influences and aspirational figures, hence for some part of normative reference groups. Wine researchers could therefore investigate changes in demand and consumption patterns pertaining to high income families to assist in predicating mass market trends. Along the same lines Ndanga *et al.* (2010) found that the South African black middle class group can be segmented based on age, gender, income and wine drinking history. The three major segments suggested in this study were The Established, Start-Me-Ups and Mzansi Youth. Based on the findings by Ndanga *et al*. (2010) the conclusive recommendations for South African wine marketers were to focus on female consumers within the Star-Me-Up segment due to their willingness to experiment, spending power and their significant influence on others.

Secondly, reference groups that influence narrowly defined attitudes or behaviour can be referred to as *comparative reference groups*. Individuals may compare their current situation with that of another figure – suggesting a comparative reference group (Escalas & Bettman, 2005; Schiffman *et al*., 2014:225). This could be, for example, comparing oneself to an upper-level executive employed at the same company featuring certain lifestyle indicators, apparel and other possessions showcasing a particular social status. The annual Nederburg Wine Auction and Cape Winemakers Guild (CWG) Auction provides the opportunity for top wine investors (an example of a comparative reference group) as well as the general public to purchase high end and rare wines and collections. Wine auctions are seen as a prestige event and many consumers read reviews and base purchase decisions on the results of auctions (Garrett, 2012; Pendock, 2012). Thus, these wine auction results may be considered a form of comparative reference groups and may influence consumer decision making.

Thirdly, a *membership group* signals that an individual is either part of a group, or would be able to obtain membership to this group (Escalas & Bettman, 2003; Schiffman *et al*., 2014:225). For example if an individual belongs to a wine club, the members of this group may influence one another's purchase decisions (whether it is consciously upon recommendation, or unconsciously as part of a discussion).

Lastly, a *symbolic group* refers to a group that an individual is not likely to receive membership of, however is still influenced by the values, attitudes and behaviour of this group (Escalas & Bettman, 2005; Schiffman *et al*., 2014:225). For example, an

individual may not be a wine connoisseur serving on prestige wine associations, but the suggestions made by these associations will influence purchase decisions.

The above section discussed the input (external variables) component of the consumer decision making process, whereas the following section will discuss the process (internal variables) component in more detail.

3.3 PROCESS (INTERNAL VARIABLES)

The following section will first provide an overview of consumer decision making, followed by a discussion on the internal psychological variables that influence decision making.

3.3.1 An overview of consumer decision making

Between the 1960's and 1970's some of the most influential research on consumer purchase decision making was conducted (Erasmus, Boshoff & Rousseau, 2001; Sachdeva, 2015). The first consumer purchase decision making model was published by Howard in 1963, followed by Nicosia's (1966), Howard-Seth's (1969), Engel, Kollat and Blackwell's (1968), Andreason's (1965), Ansen's (1972) and Markin's models (1968 to 1974) (as cited in Erasmus, Boshoff & Rousseau, 2001).

The complexity of the consumer decision making process has been attributed to the interrelatedness of the process with social, ecological, political, economic, ethical as well as technological issues faced by the 21st century consumer (Anderson, 1973; Anderson & Sullivan, 1993; Bruwer & Johnson, 2010). Furthermore, choice complexity increases: firstly as the number of available alternatives and attributes that influence selection increases; secondly as the processing of specific attribute values become difficult; thirdly as the uncertainty regarding the value of some attributes (such as intrinsic product attributes) increases and fourthly as the number of shared attributes become less (Bettman, Johnson & Payne, 1991). As such, a consumer's task to make a purchase decision can be seen as complex, even for a single, but complex, commodity such as wine (Brody & Cunningham, 1968; Ginon *et al*., 2014).

During the consumer decision making process, a consumer will typically progress through different stages. Based on the cognitivist models from cognitive psychology the traditional five stages in consumer decision making are (Walker & Knox, 1997): firstly, consumer problem recognition; secondly, information search; thirdly, alternative evaluation; fourthly, selection; and finally, post-purchase evaluation. Figure 3.3 is a representation of this decision making process (excluding the post-purchase evaluation which will be discussed in Section 3.8).

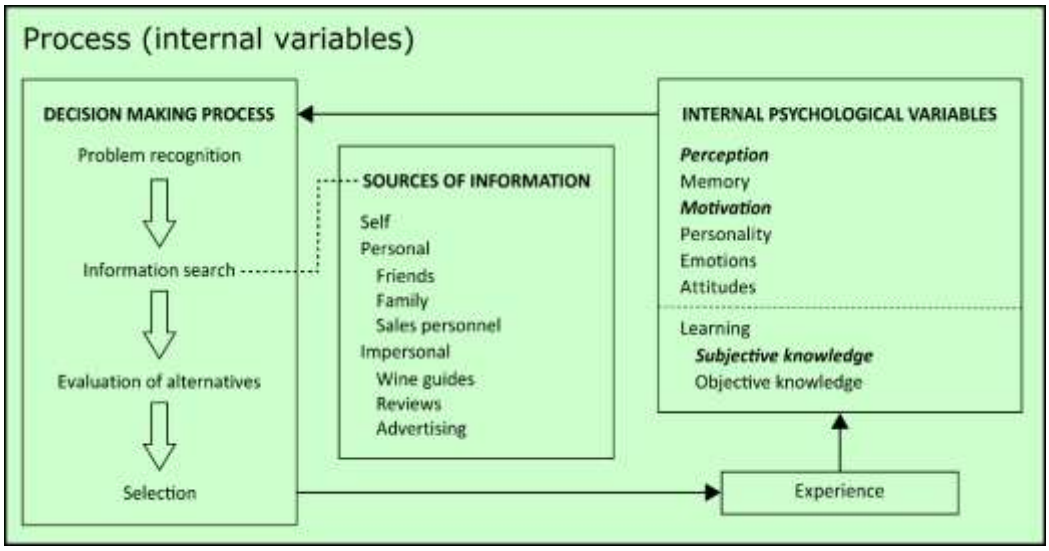

Figure 3.3: Process component of the consumer decision making process

Source: Erasmus et al., 2001; Hawkins & Mothersbaugh, 2013:25; Schiffman et al., 2014:15–16

The decision making process commences with **recognition of a need** for a product or service to answer an unfulfilled need (problem). Hence, problem recognition is defined as the significant discrepancy between a consumer's desired and actual state pertaining to a need (a generic problem) or want (a selective problem) (Bruner, 1986; Bruner & Pomazal, 1988; Sachdeva, 2015). Some *external* (i.e. marketing variables, culture, subculture, demographics, social status, reference groups and family) and *internal* (i.e. perception, memory, motivation, personality, emotion, attitude and learning) contextual variables can trigger a consumer to realise that the actual state is significantly different than the desired state and that this problem needs to be resolved (Barber & Almanza, 2006; Foxall, 1993; Ginon *et al*., 2014; Hawkins & Mothersbaugh, 2013: 25; Madahi & Sukati, 2012; Punj & Srinivasan, 1992; Schiffman *et al*., 2014: 413 - 417). A number of researchers have investigated consumer decision making, in particular the need recognition stage, in greater detail – only a few published studies

include insights relevant to wine (Bruner & Pomazal, 1988; Punj & Srinivasan, 1992; Van Ittersum (2001). With reference to a consumers' need recognition for wine, Van Ittersum (2001) suggests that during the need recognition stage, the bundle of goals a consumer composes (based on the unfulfilled need) initiates, directs and terminates the decision making process. In particular, for consumable products such as wine, consumption intention (for example purchasing wine for own consumption versus as a gift) assists the consumer to break down the recognised problem into smaller, more actionable problems and ultimately guides the remaining stages of the decision making process.

A comprehensive problem recognition process has been suggested by Bruner and Pomazal (1988) (refer to Appendix D) that portrays the following: variables that influence a consumers' *desired state* (i.e. reference groups, seeking novelty and the cognitive process involved in decision making); variables that affect *either the desired or actual state* (i.e. financial considerations, previous decisions or experience, family characteristics, culture or social class status, individual development, the current situation and marketing efforts); and lastly variables that influence the *actual state* (i.e. assortment deficiency, the arousal of a need and the post-purchase evaluation). These variables affect how a consumer will process information (from memory or motives to purchase) to formulate the perceived discrepancy between the actual and desired state. After the perceived discrepancy have been formulated and classified as either a want or need, the consumer will revert to certain actions to resolve the problem at hand. These actions may include an extensive *information search* (phase two of the decision making process); an *analysis of the ultimate purchase intent*, *purchase* of the product if the current financial situation allows for instant gratification; alternatively the consumer may save money to ultimately purchase the product; the consumer may *borrow* the product from someone else to instantly solve the problem; the consumer may *show resistance* toward the problem recognised; or lastly the consumer may *complain* about having to resolve the specific problem (Bruner, 1986; Bruner & Pomazal, 1988; Sachdeva, 2015).

Additionally, Punj and Srinivasan (1992) propose a theoretical framework (refer to Appendix E) arguing that the problem recognition phase of decision making is a cognitive event that represents the start of the consumer purchase decision making

process. The theoretical framework presented in their study viewed problem recognition as a construct rather than a process, whereas, as discussed above, Bruner and Pomazal (1988) propose that problem recognition is a process. The proposed theoretical framework presented by Punji and Srinivasan (1992) builds on the belief that the nature of the situation may determine which cognitive and physical resources the consumer will utilise in the subsequent phases of the decision making process. Whether cognitive or physical resources will be used may be determined by: firstly the pre-search decision and process, secondly the level of information accessible, thirdly the amount of time available to make the decision, fourthly the level of risk involved in the selection of the product and lastly the usage of the product. Ultimately the proposed theoretical framework of Punji and Srinivasan (1992) argues that external influences and the internal needs of the consumer will reflect the discrepancy between the desired and actual state. This discrepancy may result from the consumer's higher satisfaction expectation, current dissatisfaction, the arousal of a new need, or the depletion of a product or service.

After recognising the need for a product, consumers **search for information** that may provide guidance regarding purchase decision making (phase two in the consumer decision making process). Information can be divided into two categories: firstly memory-based information, and secondly information accessed through the external environment (Bettman *et al*., 1991). Dodd *et al.* (2005) as well as Barber and Almanza (2008) reported that wine consumers make use of one or a combination of three major information sources namely: firstly the consumer's own opinion (*self*), secondly family and friends (*personal*), and thirdly wine guides (such as Platter), reviews and advertising (*impersonal*).

With regard to information search, Chaffey and Smith (2013:488) postulate that consumer behaviour is changing since the increase in availability and use of digital information sources. These digital information sources include search engines (such as Google), social media (such as Facebook, Twitter, Instagram and Pinterest) and websites, and have been classified as both personal and impersonal sources of information. However, marketers face a challenging future as negative attitudes toward digital marketing are emerging among consumers due to the belief that these messages are intrusive and disruptive (Smith, 2011). Longo (2016) proposes that a

sound and straightforward consumer-based marketing strategy, following the principals of a three C's model, is essential in digital marketing. Firstly, marketers should get to know *consumers* based on their digital technology usage and attitude. In other words, insight into usage and attitude may answer the question as to how marketers can use digital technology to enhance the purchase and usage experience of a product. Secondly, marketers should determine the company's *capabilities* and how to strengthen/enhance these capabilities through digital marketing. Thirdly, marketers should aim to convey compelling *content* that delivers a promise of superior value (creating expectations). South African wine marketers can use these suggestions to build a competitive digital marketing strategy.

In particular, social media and the use of digital content marketing in-store (for instance using a shelf mounted tablet to display information) have become increasingly popular for wine marketers due to the highly cluttered marketing environment (Dodd *et al*., 2005; Jacobsen & Munar, 2012). Lockshin *et al*. (2006) have suggested that to provide wine consumers with highly target information may assist marketers in creating a competitive advantage, after which Nicholls (2012) advocates the use of digital marketing. In particular, Nicholls (2012) stresses the importance of social media practices as a target information source, which could aid in relationship building with consumers. Hennig-Thurau, Malthouse, Friege, Gensler, Lobschat, Rangaswamy and Skiera (2010) investigated the impact of new digital marketing strategies on relationships with consumers and proposed a "pinball" framework that assists marketers to build trusted relationships through digital marketing. This framework firstly draws attention to the traditional approach of mass marketing, whereby consumers are merely passive "receivers" of information and have little input in brand-shaping. However, the increased use of social media platforms by consumers brought about a multidirectional, interactive, interconnected and sometimes volatile marketing era. As such, the "pinball" metaphor has been used by Hennig-Thurau *et al*. (2010) to suggest that consumers can influence marketing messages (the ball) while marketers attempt to steer (the flippers) these messages to add value to the brand. Therefore the developing and sometimes volatile social media platforms may be challenging for some marketers, as these platforms raise consumer expectations. Delzio (2014) suggests that consumers expect brands to have an active, interesting (captivating)

and interactive social media presence that speak of the brand's transparency, accountability and even serviceability.

In an attempt to increase the interactive nature of social media marketing, Deterding, Khaled, Nacke and Dixon (2011) suggests that gamification can be considered as it may hold several advantages for marketers and consumers. Gamification has been defined as "the use of game design elements in nongame contexts" and is increasingly used on social media platforms to promote consumer products (Lucassen & Jansen, 2014). Some of the advantages of gamification are that it provides a platform where consumers can become more engaged (involved) with the product by way of an enjoyable experience. The use of different information sources depend on the purchase situation and nature of the product. As such, consumers will use sources of information if they appear to be convenient and relevant during decision making (Sachdeva, 2015).

Typically a consumer will have to analyse (referred to as the inspection occasion) a **number of alternatives** (third phase in the consumer decision making process) characterised by a variety of attributes, of which some are revealed upon consideration. Additionally, each alternative has an inspection cost (time and cognitive efforts). During each inspection occasion the consumer may select one of the following outcomes: either to *choose* an alternative from the consideration set and solve the problem (unfulfilled need), or to decide to investigate other alternatives, or reinvestigate an alternative within the consideration set (Meyer, 1982; Schiffman *et al*., 2014:428).

Some consumer decision making models consider situations where consumers select only one available alternative, referred to as single-item choice decision. Other, more complex decision making models employ multi-item purchase decisions. Consumers may select multiple items for a number of reasons. Firstly, consumers may purchase products in bulk to consume over an extended period of time or to avoid multiple shopping trips. Secondly, some products by nature require consumers to select a number of alternatives (for example selecting dishes from a set menu option with alternatives for each course, or selecting a number of wines at a discounted price from an available range). Thirdly, the consumer may select a number of items to satisfy

multiple users, uses and situations (Abdul-Muhmin, 1999). Wine, as well as food, furniture, apparel, magazines and books to name a few, can be classified as a single or multi-item purchase. One major challenge for wine consumers during this stage is the vast array of alternatives available (Orth & Krška, 2002). This challenge is amplified by the fact that different purchase situations and product attributes influence consumers when selecting wines (Bruwer *et al*., 2013).

Consequently, consumers will have to integrate information from a variety of sources with a variety of alternatives to reach a purchase decision. Consumers can utilise one of two strategies for integration: firstly, use an existing strategy which may have been used in a similar decision situation in the past, or secondly create a new or revised strategy for the unique situation at hand (Brettman *et al*., 1991). Vlašić, Janković and Kramo-Čaluk (2011) suggest two major issues that may influence the selection of information sources and the consideration of alternatives. The first issue pertains to time pressure and the second to product category characteristics. Time pressure results in a lower quality decision making due to the limited intensity in which internal and external information sources can be analysed. Similarly, the use of information sources may be influenced by the complexity and type of product. For example, wine has been characterised as a highly complex product due to: the large number of alternatives available on shelf, the time pressure consumers are under during purchasing and the interrelatedness of product attributes (intrinsic and extrinsic attributes) that influence consumer choice (Bruwer *et al*., 2013).

The **final decision** is made by the consumer (phase four in the consumer decision making process) based on the preceding phases. In addition to the product, consumers also consider the following during final decision making: vendor, quantity to be purchased, timing of the purchase and payment method (Sachdeva, 2015). For instance, when selecting a vendor to purchase wine from, the consumer may be influenced by the level of service needed. Hollebeek and Brodie (2009) propose that when consumers purchase wine at a restaurant (compared to a supermarket), more services may be required from staff such as a recommendation of a wine that pairs well with the food order, or an explanation of the wine characteristics. In addition, it has been argued that the quantity a consumer intends to purchase will influence decision making. For instance, consumers wanting to purchase only a single glass/serving of wine in a restaurant will be favourable toward a wine that is

served/available per glass, whereas if a consumer wants to purchase bigger quantities a retail outlet might be preferred (Lockshin & Corsi, 2012). As discussed in the previous section, wine is characterised as a complex product due to the number of alternatives available and the time pressure during purchase decision making (Neeley *et al*., 2010). An increased interest in online wine purchasing has been noted as this purchase environment may hold convenience in terms of time (Lynch & Ariely, 2000). The availability of such an online purchase website might therefore influence consumer's final purchase decision (Ha, 2012; Pappas, 2015). Similar to time pressure, consumers seek convenience during the final payment process. Digital payment methods (such as debt and credit cards, and online payment methods) are increasingly preferred by consumers and retailers. For consumers these digital payment options provide convenience of time (as these payments are deemed faster than cash payments) and safety (as cash payments are deemed more unsafe due to theft). Retailers also prefer digital payment options on account of safety and speed convenience, while processing such payments are also cheaper (Cohen & Rysman, 2013). Consequently, the payment methods and payment options available might influence consumers' final decision when purchasing a bottle of wine. Hence, a number of variables influence the purchase decision.

To summarise, external variables that influence consumer purchase decisions include the 4P marketing mix and sociocultural variables. Even though the significance of these external variables has been well documented, it has been suggested that *internal psychological variables* have a profound influence on consumer decision making (Anilkumar & Joseph, 2012). The following section will provide a brief overview of internal psychological variables that influence consumer decision making.

3.3.2 Internal psychological variables

To a large extent, a consumer's internal psychological variables determine how the consumer will behave toward the external variables (McGuire, 1976; Schiffman *et al*., 2014:15). The psychological internal variables namely perception, memory, motives, personality, emotions, attitude and learning significantly influence consumer decision making. In addition to the consumer decision making process discussed in the previous section, Figure 3.3 presents the internal psychological variables. The

following section will provide an overview on the significance of each variable in influencing consumer purchase behaviour.

Perception: Consumer behaviour literature defines perception as the interpretation of the world by absorbing sensations. Sensation refers to a reaction to stimuli (light, colour, sound, texture and odour) through sensory receptors (eyes, ears, nose, mouth and skin) (Fish, 2010). In other words, perception is the process through which individuals select, organise and interpret these stimuli (Schiffman *et al*., 2014:137). The study of perception provides insight on how individuals add to raw sensations to give them meaning. Therefore the perceptual experience is a complex sensory and conceptual act which involves double awareness of both the physical object and the sensory representation (Fish, 2010; Solomon, Russell-Bennett & Previte, 2013:44).

Some streams of consumer perception research attempt to better comprehend how consumers create meaning through the perceptual experience. Some of these major streams include: perceived price, perceived quality, perceived value and perceived risk (Beneke, Flynn, Greig & Mukaiwa, 2013; Schiffman *et al*., 2014:153; Zeithaml, 1988). The conclusion of various consumer perception research studies is based on the belief that exposure to information is a key factor in the formation of perception. However, consumers are bombarded with information (especially wine consumers due to the highly cluttered marketing environment, where consumers are confronted with a great number of alternatives according to Wagner *et al*., 2007:2-3) resulting in selective exposure and attention, and in some extreme cases perceptual defence and blocking (Hwang, 2010; Schiffman *et al*., 2014:139). Therefore marketers should attempt to influence consumer perception by exposure to product information, but more importantly to differentiate the product offering (Mack, 2015).

Many consumer behaviour models depict that *price* and *quality* are evaluated independently in decision making. On the contrary, it has been suggested that consumers perceive price and quality as interdependent in purchase situations (Vlaev, Chater, Lewis & Davies, 2009) and consumers expect a positive correlation between price and quality. However, for some product categories price is a weak indicator of quality. The price of consumables (such as wine and food) for example, may be challenging to correlate with quality as the quality of the product can only be

determined upon consumption. Ding, Ross and Rao (2010) argue that price therefore appears to have two functions: allocative and informational. For instance, consumers may perceive a higher price to indicate higher quality, but on the other hand a high price may decrease consumer utility.

Interest in the phenomenon of *value* creation has increased in consumer behaviour research since the early 1990's, whereby consumer value has become a strategic imperative in creating a competitive advantage (Sánchez-Fernández & Iniesta-Bonillo, 2007). However, consumer value is an ambiguous appendage to strategic marketing that is used to represent the value a consumer perceives or receives, along with the value the consumer can deliver. On the one hand, it has been argued that the value a consumer *perceives* in-store is significantly influenced by situational factors such as store atmosphere, social interactions, motivation, mood, purchase situation and time of visit (Nsairi, 2012). In turn, a relationship between perceived value (influenced by situational factors) and consumer attitude has been highlighted whereby this attitude influences retention and loyalty (Ruiz-Molina & Gil-Saura, 2008). Arguably wine marketers could focus on creating a superior value perception through extrinsic product cues, to not only guide attitude formation, but also the quality expectation of the intrinsic product (Veale, 2009). Alternatively, the value a consumer can *deliver* is referred to as 'customer lifetime value', indicating what the consumer is 'worth' to the firm over an extended period of time (Woodall, 2003). Ultimately, consumer value is strongly linked to loyalty and profits and therefore may be advantageous for wine marketers to focus on when setting up a marketing strategy.

Risk has been a central focus in consumer behaviour research since the 1960's, and a number of dimensions of risk have been identified ever since (Simcock, Sudbury & Wright, 2006). Additionally, researchers have linked individual characteristics, such as personality types and purchase situation, to risk (Lacey *et al*., 2009). Pappas (2015) suggests that when consumers purchase products of which the outcome is uncertain (such as wine), perceived risk is present. Perceived risk, pertaining to wine purchase behaviour will be discussed in greater detail in Section 3.5 as very little published research extends perceived risk into consumer focused studies for domain-specific contexts, such as wine purchase behaviour. In addition, wine is characterised as a

complex product and therefore it has been suggested that a great level of risk may be perceived by consumers when purchasing wine (Bruwer *et al*., 2013).

Memory: Consumers often make purchase decisions based on information that is not available in-store. Such information can include: prior experience with a product, product knowledge and other judgement factors. This information is stored in a consumer's memory and is retrieved during decision making in-store. In this regard there are two major types of judgements: stimulus-based and memory-based judgements (Lynch & Srull, 1982; Castros, Torres, Nascimento & Demo, 2015).

If a consumer's selection is based on information acquired some time before purchase, the selection is based on memory-based judgement (Park & Hastak, 1994; Pocheptsova & Novemsky, 2010). Traditional models of memory, measured by recall and recognition, propose that memory is influenced by the manner in which information is encoded and the context of retrieval (Johar, Maheswaran & Peracchio, 2006). A wide variety of memory-based research that gathers insight from a number of decision making variables, have been published. For example, Park and Hastak (1994) investigated the influence of level of involvement on product judgement at the time of encoding and retrieval of information. Findings from this study argue that high levels of involvement are demonstrated at the time of judgement, but low levels of involvement are evident at the time of encoding of product information. The following four assumptions, proposed by LaTour and Carbone (2014), imply that memory-based research is a complex phenomenon due to: firstly, the fact that a consumer's memory of an experience fades relatively quickly; secondly, a memory of an experience has sub-experiences; thirdly, memory is a multidimensional and unintuitive variable; and fourthly, consumers are inaccurate in predicting what will be remembered. Understanding memory-based judgement can be seen as a competitive advantage if, through marketing efforts, marketers (including wine marketers) can create brand loyalty.

Marketers could, for instance, use elements such as packaging and promotion to stimulate recall and memory during decision making. For instance, Gómez, MartÍn-Consuegra and Molina (2015) propose that wine consumers evaluate packaging attributes during the purchase decision making process as well as post-purchase.

Therefore, due to consumer uncertainty of a wine's intrinsic quality during decision making, packaging attributes can be seen as a memory trigger and should be utilised by wine marketers as a means of differentiation. Differentiating the wine in-store may create a memory trigger that will lead to purchase, and perhaps even to brand loyalty.

Neville Carew, MD of Origin Wines (South Africa), pointed out that consumers expect more from packaging in terms of inter-activeness and innovation, especially the younger age groups (for example Generation Y consumers, aged 18-29 years according to Fountain and Lamb, (2011)) as these consumers are seeking novelty (Augustyn, 2015). Leading South African liqueur brand Amarula in particular has invested heavily in creating memory triggers in-store by means of packaging and brand elements (for example the use of the marula fruit, the tagline "Spirit of Africa", the sunsets, the image of the elephant and specifically elephant tusks) (Superbrands, 2010). However, innovation in packaging has some distinct challenges in South Africa (Augustyn, 2015). Firstly, innovative packaging is costly to begin with due to high development and production costs, and even more so with South African packaging production being more expensive than other countries due to the high cost of borrowing capital and the lack of economies of scale. Additionally, uncompetitive technology, lack of raw-material and supplier alternatives, poor productivity and skills, and high shareholder financial expectations create limitations for South African wine marketers in terms of packaging innovation. As a result, South African wine marketers are rather encouraged to experiment with creative, eye-catching and innovative label design to differentiate themselves in a highly cluttered market environment (Barber & Almanza, 2006; Augustyn, 2015).

Motivation: The concept of motivation has an extensive and influential history within marketing and consumer behaviour research. From Dichter's revealing psychoanalytic studies of consumer motivation between 1950 and 1960, extending to the era of psychophysiology between 1970 and 1980, and ultimately to the current (from 1990 onwards) focus on defining consumers' unmet needs and underlying motivation. Understanding consumers' unmet needs and the complexity of underlying motivation has gained greater attention in consumer behaviour research since the early 2000's (Pincus, 2004; Seabra, Silva, Abrantes, Vicente & Herstein, 2015).

On the premise of understanding unfulfilled consumer needs, motivation cannot be seen as a homogenous variable and is therefore defined as complex. To add to the complexity in understanding consumer motivation, consumers frequently strive to maximise goal fulfilment by satisfying multiple goals simultaneously (Barbopoulos & Johansson, 2016). Novemsky and Dhar (2005) propose that consumer choice is related to a sequence of decisions, where the choice and the experience prior to the choice serve similar underlying goals. According to Higgins (2002) there are two self-regulation systems that guide goal fulfilment, namely prevention and promotion. The promotion system pertains to positive outcomes and subsequently directs needs and motives towards these outcomes, whereas prevention systems direct needs and motives to avoid negative outcomes.

On the basis of the promotion system Hill, Fombelle and Sirianni (2016) argue that consumers' are significantly motivated by curiosity, particularly when purchasing consumable products such as food and wine. Curiosity is defined as the motivational state where marketers evoke mystery in an attempt to create differentiation (Menon & Soman, 2002). Note that curiosity can spark a consumer's interest and perhaps lead to purchase, however the *experience* will ultimately influence future behaviour.

The future behaviour pertaining to a satisfactory first experience has two conditions (Novemsky & Dhar, 2005). Firstly, the subsequent goal should relate to the goal associated with the first experience. For example, a consumer purchased a bottle of wine for own consumption and had a satisfying first experience, thereafter the consumer has to purchase a bottle of wine as a gift – the goals associated with the two decisions are different and may therefore influence the purchase decision. Secondly, if the consistent product option offers the highest level of goal fulfilment the inconsistent product option will be less attractive even after a satisfactory first experience. For instance, even if a consumer has a satisfactory first experience with a bottle of wine that has not been purchased before, the more consistent product (in terms of quality for instance) may prevail during future purchase decisions as this product is trusted due to previous consecutive satisfactory experiences. Therefore, wine marketers (based on the fact that consumers experience high levels of uncertainty regarding the products' intrinsic quality prior to purchase) should strive

toward offering a consistently high quality product in an attempt gain consumer trust which might in turn stimulate loyalty and ultimately repeat purchase.

Both product involvement and perceived risk have been investigated as motivational constructs. These two constructs influence information search and ultimately purchase decision making. Both constructs have been classified according to three levels in consumer behaviour literature, namely: high, moderate and low (Dholakia, 2001; Seabra *et al*., 2015). To classify the level (amount) of risk a consumer perceives, two functions should be considered: firstly, what is at stake for the consumer, in other words, what can be lost; and secondly, the expected degree of unfavourability of the outcome based on the consumers' subjective feeling (Ross, 1975). With the two functions in mind, consumer behaviour researchers classify for example consumers with high levels of sacrifice and uncertainty as high perceived risk consumers. This classification is made based on a consumers' self-assessment after which the researcher can determine the degree of risk. On the other hand, involvement levels are classified based on a consumer's involvement (personal relevance) level. Again, the researcher can determine whether the consumer displays high, moderate or low levels of involvement after the consumer completes a self-assessment. Within the context of wine purchase behaviour, consistency may result in lower levels of perceived risk and extend the belief that consistency could stimulate repeat purchase. Additionally, if a consumer has high involvement levels, the likelihood that a consistent product will be considered is high (Dholakia, 2001). Therefore, gaining insight into product involvement and perceived risk could assist marketers in understanding unmet needs and underlying motivations.

Personality: Tamborski and Brown (2011) in Campbell and Miller (2011:210), describe personality as one of the more complex, but fascinating concepts in consumer behaviour research. Personality and personality traits has been linked to media choice, purchase behaviour (brand/product selection), segmentation, innovation, social influence, reference groups, fear, risk, attitude changes and opinion leadership in consumer behaviour research (Haugtvedt, Petty & Cacioppo, 1992; Kassarjian, 1971; Kastiya, 2016; Phau & Lau, 2001; Puzakova, Kwak & Taylor, 2013). The Big Five personality traits are: extraversion-introversion, antagonism-agreeableness, conscientiousness, neuroticism (which includes the study of anxiety,

fear, moodiness, worry, envy, frustration, jealousy and loneliness), and openness to experience (Robins, 2005). These Big Five personality traits are often used as measures of personality in consumer behaviour studies. Personality displays individual differences, however some individuals may be similar in terms of a single or a number of personality traits and as such, personality could assist marketers to segment consumers based on similar traits (Dweck, 1996; Olsen, Tudoran, Honkanen & Verplanken, 2016; Schiffman *et al*., 2014:100).

Eight categories of decision making styles have been linked to personality traits (Raja & Malik, 2014), namely: “perfectionism consciousness”, “brand consciousness”, “novelty and fashion consciousness”, “recreational and hedonistic shopping consciousness”, “price and value consciousness”, “impulsive and careless consumer”, “confused by over choice consumer” and “habitual and brand loyal consumer” (Bandara, 2014; Sproles & Kendall, 1986).

Consumers make purchase decisions based on self-expression and as an extension of the self (Mathews, 2015; Schiffman *et al*., 2014:122-123). As a result, marketing scholars link brand/product personality traits to consumer (human) characteristics due to the belief that brand/product personality is often the underlying reason for long-term relationships with a brand/product (Mathews, 2015). It has been suggested that consumers interpret brand/product personality based on marketing mix elements, in particular price, packaging (product) and promotion (Kum, Bergkvist, Lee & Leong, 2012).

Since Landon (1974) stressed the role of self-concept in understanding consumer purchase behaviour, various researchers have identified a relationship between one’s true self-image and perceived self-image (Prat & Sparks, 2014). Extending from the early work investigating this relationship, the self-congruity theory developed. The self-congruity theory is based on the assumption that consumers purchase brands/products that can be associated with personality traits congruent to their own (Boksberger, Dolnicar, Laesser & Randle, 2010). Prat and Sparks (2014) argue that the wine industry can apply the self-congruity theory, not only to the wine brand/product, but also to winery visits where these visits can create memorable

experiences (such as tastings presented by the wine maker) which may influence future purchase decisions.

Building a differentiated brand through congruity is extremely important in the wine industry, as consumers are overwhelmed with options in-store. The consideration of consumer personality traits as a strategic marketing tool has become evident within wine consumer research as wine marketers realise that by creating products/brands that resonate closely with consumers, purchase behaviour could be influenced. Based on this premise, wine marketers use aspects of label design and packaging (notably through imagery, colour and layout) to affect consumers' purchase intent and perceived brand personality (Elliot & Barth, 2012). Furthermore, congruity typically arises and strengthens when products are consistently consumed on specific occasions (Chang, Chang, Chien & Chang, 2014), therefore if wine marketers could create cues in-store through label design and packaging to remind consumers of previous consumption occasions and experiences, it may influence purchase decisions.

Emotions: Research related to the influence of emotion on judgement, evaluation and decision making have led to results demonstrating that emotion influences consumer purchase behaviour. However, Williams (2014) argues that a shift toward a more nuanced understanding of what drives discrete emotional states over time, has become apparent since the early 2000's as consumer purchase behaviour has become more complex (for example due to the increased use of technology, thus breaking down geographical boundaries and making products more readily available).

Products are able to evoke emotion by means of visually sensitive interactions, in particular through appealing quality. Wu, Hsub and Leec (2015) propose that the quality of product information can evoke an inviting emotion, create curiosity and stimulate purchase intent. Emotion constitutes a high level of consumer motivation and substantially influences memory. Consequently, emotions do not only influence pre-purchase searches and decision making, but also post-purchase behaviour. Research on product-consumption experiences suggest that post-purchase behaviour involve a variety of emotions such as joy, pride, excitement, sadness, guilt and anger (Dubé &

Menon, 2000; Westbrook & Oliver, 1991). However, emotion can influence consumers differently during decision making.

To understand emotional differences among consumers Herter, dos Santos and Pinto (2014) investigated the influence of gender on emotion. The results from this study propose that positive emotions (such as happiness) will significantly influence consumers' impressions, experience and satisfaction. Interestingly, it was found that positive emotions influence male consumers significantly, whereas females are significantly influenced by negative emotions – resulting in dissatisfaction.

In retrospect, within the discipline of psychology, researchers have attempted to converge on related theories of emotion, also known as the appraisal theories, as these theories have answered fundamental questions on the nature of emotion (Johnson & Stewart, 2005). The appraisal theories are built on the belief that consumers process, or appraise, information that is personally relevant during decision making. In other words, the cognitive appraisal approach uses motivation and evaluation as emotions' underlying factors to explain purchase behaviour (Smith & Ellsworth, 1985). According to Watson and Spence (2007) there are four appraisals that could result in specific emotions and affect consumer purchase behaviour. These appraisals include: *outcome desirability* that involves pleasantness and goal consistency, *agency* which includes responsibility and controllability, *fairness* and *certainty*. Findings to date suggest that outcome desirability and agency are the significant drivers of emotion, therefore gaining insight on how these appraisals influence consumer decision making should be a top priority for marketers (Ruth, Brunel & Otnes, 2002; Smith & Ellsworth, 1985; Watson & Spence, 2007).

Wu *et al*. (2015) investigated the influence of emotion from an *involvement* perspective, shedding some light on outcome desirability. In short, consumers with a higher degree of product involvement have stronger emotions. Based on the appraisal theory consumers may ask questions such as "Do I need the product or not?", "Is the product very important to me?", or "Is the product valuable or interesting to me?" during decision making. Thereafter a consumer will base their purchase on whether they feel confident, happy or excited that the product will fit into their lifestyle or a particular

usage situation. However, marketers should attain information relevant to particular products and purchase situations.

Hussain, Castaldi and Cholette (2006), propose that an emotional attachment to wine result in the purchase of higher quality wine and increased consumption. In addition, the authors advocate that the emotional attachment is developed through the consumers' level of product knowledge and involvement levels. Wine marketers should therefore allude to consumers' emotional attachment by understanding consumer personality, as brand and consumer personality are bound by strong emotional ties (Boudreaux & Palmer, 2007). Therefore, given the complexity of understanding the objective dimensions associated with wine purchase behaviour, a greater understanding of emotional ties could be valuable to wine marketers when setting up marketing strategies. These strategies, depending on the purchase situation and consumer profile, could for example focus on the quality dimension of the wine in an attempt to increase sales. According to Maheswaran and Chen (2006), the country of origin of wine could influence a consumer's quality perception and emotional state. These associations may ultimately lead to product preference – in the case of a strong emotional attachment, or a strong value perception based on the country of origin.

Attitude: Attitude research relates closely to studies of the consumer diffusion process (consumers' acceptance of innovative products), purchase behaviour and promotional themes. Within the context of these research themes, attitude is defined as a consumer's positive or negative evaluation when having to perform the focal behaviour (Chudry, Foxall & Pallister, 2011). By contrast, the seminal work of Wicker (1969) suggests that perhaps attitude does not predict purchase behaviour. As a result of Wicker's (1969) findings, social psychologists have worked toward an improved understanding of attitude as antecedent of consumer behaviour, resulting in the development of integrated models of consumer behaviour and the influence of attitude.

Possibly the most researched consumer behaviour model pertaining to attitude has been the theory of reasoned action (TRA). The TRA proposes a causal link between attitude, subjective norms and behavioural intention. During the early 1990's, the theory of planned behaviour (TPB) stemmed from the TRA, proposing that intentions are a direct antecedent of consumer behaviour and can ultimately be predicted by

investigating attitude, subjective norms and perceived behavioural control (PBC) (Armitage & Conner, 2001; Chudry *et al*., 2011).

Although the TPB has been a focal point in consumer decision making research, Reed, Wooten and Bolton (2002) insist that determining consumer attitude is a complex task. Given the limited cognitive capacity of consumers, attitude has been conceptualised as a temporary construction. Therefore, attitude is influenced by attitude-relevant information available during decision making and information derived from previous experience (memory). Walker and Knox (1997) imply that attitude-relevant information may differ based on levels of involvement. For instance, attitude could be influenced by high involvement levels due to a greater need for information. The intensity of the information search may therefore influence attitude (positive or negative) and behaviour on a temporary basis, and extend to future memory-based purchase decisions. However, the level of involvement may differ based on the product type and purchase situation (Jaeger *et al*., 2009; Park & Moon, 2003; Quester & Smart, 1998).

Based on the TPB, wine consumer research suggest that a consumer's attitude is expected to be strengthened in relation to the level of wine involvement and weakened based on risk-related purchase issues (such as quality uncertainty and monetary sacrifices) (Rojas-Méndez, Nestour & Rod, 2015). Therefore, in wine consumer research, attitude, involvement, risk and knowledge are defined as key concepts in understanding wine consumer purchase behaviour (Hollebeeck *et al*., 2007; Olsen *et al*., 2003).

Learning: A consumer's ability to learn and remember the consequences of a particular action is a fundamental sign of human intelligence (Brovelli, Coquelin & Boussaoud, 2007). Based on the cognitivist model of consumer decisions almost all consumer choices entail a number of cognitive functions. These cognitive functions lead to attention-driven encoding of information, retrieval of task-related information from short or long term memory, identifying uncertain product elements and post-choice satisfaction outcomes that in turn, influence future choice (Bartels & Johnson, 2015; Walker & Knox, 1997). However, understanding consumer learning and the retrieval of information during purchase decision making has been complex and

challenging for researchers (Van Osselaer & Janiszewski, 2012; Willemsen, Böckenholt, & Johnson, 2011; Zhao, Zhao & Helsen, 2011).

Two major streams of consumer learning research have been developed in an attempt to better understand learning and information retrieval, namely: behavioural learning and cognitive learning (Rothschild & Gaidis, 1981; Siemens, 2005; Schiffman *et al*., 2014:164-176). *Behavioural learning theories* (such as classical conditioning, operant conditioning and vicarious learning) are based on the belief that learning has taken place if a consumer displays an observable response to an external stimuli (such as product or promotion attributes) (Bartels & Johnson, 2015; Schiffman *et al*., 2014:164). In contrast, *cognitive learning theories* suggest that learning is a mental activity driven by the primary characteristic of learning - problem solving (Anderson, 2013; Aslin & Rothschild, 1987).

However, the development of these learning theories occurred during a time when learning was not influenced by technology. Consequently an advanced stream of learning research has been introduced that wish to understand consumer learning based on a variety of social environments stimulated through technology (Siemens, 2005). In turn, researchers are exploring innovative research fields such as consumer neuroscience, where the aim is to create a sound neuropsychological theory to understand consumer behaviour. As an extension, neuromarketing refers to the practical and commercial interest in some neurophysiological tools for example eye tracking, skin conductance, functional magnetic resonance imaging (MRI), and electroencephalography (EEG) (Plassmann, Ramsøy & Milosavljevic, 2011).

Overall, learning has been viewed as a complex construct within consumer behaviour research. The complexity of understanding learnt behaviour is based on the premise that if a consumer is asked “why a product was selected” or “why a particular outlet is preferred”, many a time no conscious explanation can be given (Perner, 2016). Learning mechanisms have been central in understanding how consumers think about choice alternatives and cues surrounding their choices. Bartel and Johnson (2015) argue that decision alternatives are evaluated (based on perceived value) by means of attentional and memory processes.

To add to the complexity of understanding learnt behaviour, some products have unique characteristics that intensify this complexity. For example, marketers for non-durable goods (for example consumables such as food and wine) primarily utilise promotional and product attributes to implicitly signal information on the experience characteristics of the product (for example taste) (Ackerberg, 1998; Wang & Tu, 2015). LaTour, LaTour and Feinstein (2011) argue that wine consumer learning should take place by means of a conceptual learning approach, which involves providing information to consumers on production methods and varietals. The conceptual learning approach is suggested as opposed to a perceptual learning approach, which includes tastings and printed wine notes. However, few published research studies are available on the influence of learning theories and consumer knowledge levels on wine purchase behaviour (Johnson & Bastain, 2007; Latour & Latour, 2010).

From the discussion on *internal psychological variables*, the interdependency and complexity of these variables have become evident. However, the complex nature of wine and to a greater extent the influence of external and internal variables may create uncertainty and influence consumer decisions. This notion is supported by the social cognitive theory, which claims that the reciprocal, bidirectional interrelatedness of an individual's environment and cognitive processes influences human behaviour (Kindard & Webster, 2010). For example, during the decision process, consumers might feel frustrated with the pre-purchase experience as a result of inadequate products and availability of products, lack of information or *knowledge*, the experience while visiting the store, the time consumption of the shopping experience, the *anxiety* about making the wrong choice and the *involvement* during decision making (Westbrook, Newman & Taylor, 1978; Hall & Mitchell, 2008:2). Resultantly, the researcher will delineate the study at hand by investigating three salient internal variables: consumer product knowledge, perceived risk and level of product involvement.

3.4 SUBJECTIVE PRODUCT KNOWLEDGE AND WINE PURCHASE BEHAVIOUR

Research on consumer product knowledge has long been influential in theoretical models of consumer behaviour and marketing (Flynn & Goldsmith, 1999; House *et al*., 2004; Johnson & Bastian, 2007). The extent of experience and familiarity with a

product is defined as product knowledge (Kolyesnikova, Laverie, Duhan, Wilcox & Dodd, 2008). Brucks (1985) delineates knowledge to: subjective knowledge, objective knowledge and experience (House *et al*., 2004). Subjective product knowledge describes what consumers think (perceive) they know about a product, while what consumers actually know about a product is referred to as objective knowledge (Moorman *et al*., 2004). Subjective and objective knowledge have been considered distinct constructs, although in some cases the two constructs are positively related (House *et al*., 2004). Due to this distinction, subjective and objective knowledge are measured differently. Self-reporting mechanisms and questionnaires are used to measure subjective knowledge, while objective knowledge is measured by a series of questions testing the respondents' knowledge on the topic of interest (Johnson & Bastian, 2007). If consumers have prior usage experience with a product, this experience will influence consumers' objective (actual) knowledge and consequently future purchases (Dodd *et al*., 2005).

However, Park and Lessig (1981) suggested that subjective product knowledge provides greater insight into consumer decision making than objective knowledge or experience as it has been linked other variables in an attempt to understand consumer purchase behaviour. For example, it has been suggested that subjective knowledge may significantly relate to *confidence levels*. If consumers believe they have substantial knowledge of a product, their confidence levels will be higher (Bearder, Hardesty & Rose, 2001; Berger, Ratchford & Haines, 1994). Lower confidence levels have especially been displayed when purchasing consumable goods, due to the inability to determine the quality of the product prior to purchase. Therefore, as mentioned earlier, consumers rely on extrinsic attributes to indicate intrinsic quality. A consumer's attitude and response toward extrinsic attributes could be modified by certain personal characteristics, such as subjective knowledge (Chocarro *et al*., 2009).

Perrouty, d'Hauteville and Lockshin (2006) argue that the level of subjective product knowledge will influence what information is used to judge product quality and ultimately influence decision making. For example, Dodd *et al.* (2005) found that consumers with high levels of objective knowledge preferably utilise impersonal sources of information (such as wine guides, advertising and wine reviews). Yet, consumers with high levels of subjective knowledge show greater interest toward

impersonal sources of information and the self (one's own preferences), and little interest in personal information sources (such as friends, sales representatives and family).

Ultimately, marketers should consider subjective knowledge in developing segmentation strategies, as subjective knowledge reflects consumer motivations (Chocarro *et al*., 2009). Barber (2009) considered marketing segmentation and consumer characteristics, in particular knowledge and gender, during wine purchase decisions. The results from this study suggest that male consumers have greater actual and self-assessed wine knowledge compared to their female counterparts. Yet, Barber (2009) also found that male consumers utilise limited sources of information during purchase decision making, therefore with targeted marketing and effective staff training, more men could be influenced during in-store decision making. However, due to changes in the retail environment since the early 2000's, such as the emerging interest in online shopping, marketers aim to uncover factors that influence consumers when having to choose between purchasing from a physical retail outlet compared to an online store (Coulter, Price & Feick, 2005; Kolyesnikova *et al*., 2008; Lynch, Kent & Srinivasan, 2001). In this regard, it has been argued that for some experiential (consumable) products such as milk, purchasing online has become more popular due to the relative indifference to purchase in-store versus online. Nonetheless, quintessential experience products (such as wine) require sensory stimulation (such as haptics, smell and taste) for judgement. Hence, unless consumers have experience with a product prior to purchase, the in-store or online product attributes may influence judgement due to the lack of sensory stimulation (Kolyesnikova *et al*., 2008).

The Internet (digital platforms) has become a source of information (impersonal) and a convenient means of shopping (Kolyesnikova *et al*., 2008). Arguably consumers with high levels of subjective product knowledge may be more likely to rely on their own knowledge rather than in-store assistance, and would therefore be more inclined to purchase online (Ha, 2012). Marketers should consequently focus on extending product attributes to online platforms, in order to influence consumers' decision during online selection.

In a similar context, Moorman *et al.* (2004) investigated the likelihood that consumers will search for information and products in accordance to subjective knowledge. The findings from this study theoretically proposed that if subjective knowledge has an influence on the quality of choices, it will be due to greater search selectivity between environments (for example product categories), as opposed to greater selectivity within a certain environment. This argument is built on the premise that consumers have a tendency to seek out similar consumers with regards to beliefs about the self. Consequently, if marketers have insight on where consumers search for information and products, marketing strategies can be targeted to address particular search needs (Bruwer *et al*., 2013).

Admittedly product knowledge research has become more sophisticated and diverse, however Flynn and Goldsmith (1999) argue that no serious attempt has been made to measure *subjective knowledge* (Moorman *et al*., 2004). Extending this argument is the belief that subjective and objective knowledge were seen as separate but related constructs (House *et al*., 2004). So too, research conducted by Dodd *et al*. (2005) measured both subjective and objective knowledge using the four item, seven-point Likert scale used by Flynn and Goldsmith (1999).

However, thereafter Perrouty *et al.* (2006) used a modified version of this scale to measure subjective product knowledge for wine in four different Old World wine countries. In this study, Perrouty *et al.* (2006) argues that subjective knowledge is an appropriate means to measure whether wine consumers are expert or novice consumers. The authors distinguish between experts and novices in two respects: firstly, based on the consumer's knowledge structure and the way this knowledge is used during evaluation tasks and choice. Compared to novice consumers, expert consumers are more knowledgeable of product categories due to richer and more organised cognitive structures. Secondly, novice consumers make use of less product attributes to evaluate and choose a product and alternative attributes are used to evaluate different brands. As mentioned, expert consumers have greater developed cognitive structures and thus brings about the capability to evaluate the product based on a number of product attributes. This study however recommended that a third level of subjective wine knowledge should be investigated, namely moderate subjective knowledge. Seeing that Perrouty *et al*. (2006) suggests the investigation of a moderate

subjective knowledge level, this concept will include consumers that have some (less than expert, but more than novice) product knowledge and display the cognitive ability to use some (less than expert, but more than novice) product attributes to evaluate different brands. For the study at hand, wine consumers are classified into subjective product knowledge levels (high, moderate and low) using self-assessment, after which the researcher could, based on item scores, distinguish between the three levels (to be discussed in Chapter 5).

Therefore an aim of the current study is to investigate whether subjective product knowledge will differ for expert, moderate and novice consumers within a New World wine perspective and ultimately influence the volume of wine purchased for own consumption. Hence, the following hypothesis is formulated to address this aim:

> H_{04}: There is no difference between consumers with high, moderate and low levels of subjective product knowledge and the volume of South African (New World) wine purchased for own consumption.

However, subjective product knowledge does not influence consumer purchase behaviour in isolation. Within consumer behaviour research, the subject of knowledge is tied closely to consumers' perception of the risks and benefits associated with the product, thus will be discussed in the subsequent section (Berger *et al*., 1994; House *et al*., 2004).

3.5 PERCEIVED RISK AND WINE PURCHASE BEHAVIOUR

As mentioned earlier, risk falls within the knowledge domain of perception, and has been discussed in brief as part of the internal psychological variable (Schiffman *et al*., 2014:153; Zeithaml, 1988). A lack of exploration into perceived risk has been evident since the mid 1980's due to the complexity of conceptualising risk, as experienced by different researchers (Bruwer *et al*., 2013; Stone & Winter, 1985). The complexity is compounded by the multi-disciplinary use of the construct in for example economics, psychology, marketing, statistics and medicine, thus resulting in a variety of construct definitions and measurement models, each reflecting the theoretical context of the particular study (Stone & Grønhaug, 1993).

Similarly, results of studies by Sinha and Batra (1999) as well as Glynn and Chen (2009) augmented the belief that perceived risk vary based on different product categories. Consequently, research on perceived risk extended to consumable products, clothing and the services industry, for example. Very little published research however extends perceived risk into consumer focused studies for domain-specific contexts, such as wine purchase behaviour (Bruwer *et al*., 2013).

Wine is characterised as a highly complex product as the level of (dis)satisfaction can only be determined after the product has been purchased and consumed (Horvat & Došen, 2013). Therefore, in many instances, consumers could feel anxious and inexperienced when purchasing wine – thus high levels of risk are to be expected. Within the context of consumer psychology, risk is believed to be associated with anticipated negative outcomes (Dholakia, 2001). Adding to the complexity of risk during wine purchase behaviour, perceived risk is not a one-dimensional construct. Six types of perceived risk have been suggested: firstly, functional risk; secondly, physical risk; thirdly, financial risk; fourthly, social risk; fifthly, psychological risk; and lastly, time risk (Bruwer et al., 2013; Lacey *et al*., 2009).

Functional risk relates to a consumers' uncertainty of a product's performance, while a negative relationship between functional risk and experimenting with unknown products have been reported (Ram & Sheth, 1989; Woodside & Biemans, 2005). Ultimately, if there is uncertainty about the performance of a product, consumers are likely to reject the product and consider other alternatives in the consideration set. Some consumers however may postpone purchasing a product based on a perceived high functional risk, to first investigate the functionality by gathering more information or experience the product with minimal monetary sacrifice (for example sampling) (Szmigin & Foxall, 1998). Furthermore, some wine consumers may perceive the taste of the wine to be a functional risk as the wine may not taste as expected (thus not performing as expected). To alleviate functional risk, wine consumers may utilise risk reduction strategies such as visiting the wine farm for a wine tasting or asking for a reference prior to purchase.

If consumers perceive a product to be harmful, unhealthy or that it may cause physical injury, *physical risk* is present (Kleijnen, Lee & Wetzels, 2009; Ram & Sheth, 1989). Brewer and Himes (2015) suggest that warning labels could be an effective way with which marketers (especially for consumable goods) can create awareness of harmful ingredients, usage situations and consumption behaviour. Wine marketers utilise wine labels to communicate important information and to reduce a consumer's perceived physical risk. Warning consumers that drinking and driving is dangerous by means of packaging and promotions for example, is a form of suboptimal intervention (indirect warning). Consumers are becoming more health conscious and concerns over health are growing (Mitchell & Greatorex, 1989; Pozo- Bayón, Monagas, Bartolomè & Moreno-Arribas, 2012). Thus, explicitly indicating health benefits and possible disadvantages of irresponsible use of the product by means of a warning label could influence consumer decision making.

Consumers experience *financial risk* when concerns pertaining to the waste of economic (monetary) resources prevail (Kleijnen *et al*., 2009; Ram & Sheth, 1989). Aside from price, a variety of other financial risk elements have been investigated (Virginie & Mathieu, 2008). One such element is the use of electronic fund transfer systems (EFTS) as these systems have gradually been installed at the point-of-sale devises in retail outlets. Another example is online fund transfers that are becoming more popular due to changing consumer demands (Ho & Ng, 1994). As mentioned earlier, consumers seek convenient shopping alternatives. Along the same lines, it has been reported that online wine sales increase with an estimated 20 per cent annually, four times faster than the overall wine market (Markels & Silver, 2004:1). Therefore, reducing financial risk associated with electronic payment methods, for example, should be considered by marketers. Aside from these risk element examples, perceived "value-for-money" and premium price purchases could be seen as a financial risk element. Some consumers, in particular for consumable goods, are driven by the perception of "value-for-money" purchasing (Hasan & Mishra, 2015). In particular, wine consumers are driven by "value-for-money" in wine selection (Harpers Wine, 2011). Wine marketers could therefore create the perception of a value-for-money purchase which will ultimately create a competitive advantage (Bruwer *et al*., 2013). On the other hand, consumers who purchase a premium priced wine will expect high quality content (due to the price-quality relationship), however if the quality of the

wine is not up to premium (expected) quality consumers may experience financial risk. Thus, similar to “value-for-money” strategies, wine marketers should create the perception of superiority when marketing premium priced wines, while still delivering quality content to ensure consumer satisfaction and ultimately establish a competitive advantage.

The fear that a product will not be accepted by relevant others (members of a direct social circle) refers to *social risk*. Duclos, Wen Wan and Jiang (2014) propose that a consumer’s social connections could influence purchase behaviour. For example, wine consumers may experience social risk when purchasing wine to consume with friends and family as the opinion of fellow group members may be feared; reflecting a consumer’s level of confidence (Bruwer *et al*., 2013). In the instance where the opinion of others are unfavourable, consumers may experience shame or embarrassment and even may not purchase the wine in the future. Wine marketers should for instance, provide sufficient information to ensure consumer purchase confidence for social consumption, ultimately perhaps minimising social risk.

Psychological risk is viewed as a consumer’s experience of anxiety or psychological discomfort as a result of post-purchase affective reactions such as regret and worry (Dholakia, 2001). The influence of psychological risk is frequently seen within a consumer’s framework of societal values and norms (Ost, 1995), hence social and psychological risk are closely related – referred to as psycho-social risk. Even so, social risk links to consumer’s perception of how others may react to a purchase whereas, psychological risk relates to how a consumer perceives themselves after a purchase (Dholakia, 2001). For instance, if a consumer purchases a low quality/low priced wine and does not tell anyone about the purchase, this decision may only influence what the consumer thinks of themselves (psychological risk), but will not necessarily influence how others think of them (social risk). Due to the fact that a consumer is not always able to determine the intrinsic quality of the wine prior to purchase, it is often assumed that psychological risk falls into the social risk category (Lacey *et al*., 2009). As explained above, reducing consumers’ social risk (by providing sufficient information during decision making, for instance) could boost confidence and in turn reduce psychological risk. However, if the consumer purchases for own consumption the wine marketer should predominantly keep in mind (when wanting to

reduce psychological risk) the expectation of the consumer, as the wine might not be drunk within a social context.

Whether a consumer anticipates an excessive investment of time involved in a particular purchase is referred to as *time risk* (Dholakia, 2001). Consumers perceive time as a scares resource and therefore purchases should be time efficient. There are two contradicting views in consumer time risk research. On the one hand it is believed that as the acquisition time increases, the perception that the time budget will be exceeded increases and ultimately increases a consumer's time risk associated with a purchase. On the other hand, if there is no explicit need that occurs, consumers experience the temporary nature of the purchase situation as a reliever of time risk (Jones, Camp & Fairhurst, 2015). Therefore, anticipating that perceived risk may differ due to the purchase situation, could be a valuable insight for marketers. Vlašić, Janković and Kramo-Čaluk (2011) reports that some wine consumers experience high levels of time risk, however a variety of purchase situations and occasions could influence this perception. As mentioned earlier, the current study only refers to purchasing wine for own consumption.

Gluckman (1986) made the first mention of risk in wine marketing research, and the study of risk has since been instrumental in gaining insight into consumer purchase behaviour for wine. Ever since the early 1990's, perceived risk has gained international stature and subsequently, cross-cultural risk research has found that risk can differ based on consumers' socio-cultural variables and product-specific factors, such as consumers' self-confidence, lifestyle segment, *involvement levels*, occasion-based purchase behaviour and the purchase situation (Bruwer *et al*., 2013; Stone & Grønhaug, 1993). As discussed earlier, consumers display either high, moderate or low levels of perceived risk and for the study at hand this classification will be based on consumers' self-assessment, after which the researcher could, based on item scores, distinguish between the three levels (to be discussed in Chapter 5). The following hypothesis is formulated for this study, drawing insight from perceived risk literature and the South African wine market:

H_{05}: There is no difference between high, moderate, and low levels of perceived risk and the volume of South African (New World) wine purchased for own consumption.

The following section will provide context on how product involvement levels influence consumer purchase behaviour.

3.6 LEVEL OF PRODUCT INVOLVEMENT AND WINE PURCHASE BEHAVIOUR

Involvement is broadly defined as a person's interest with an object or activity, extending to product involvement that is defined as a consumer's interest, enthusiasm and excitement regarding a product category (Jaeger *et al*., 2009). The concept of involvement can be summarised as the motivation to process information whereby this motivation is linked to the personal interest invoked by a stimulus in the particular situation (Chudry *et al*., 2011).

It has been implied that product involvement levels could be diverse depending on the product characteristics (Park & Moon, 2003). Laurent and Kapferer (1985) indicate that product involvement depends upon the antecedents of involvement, and identified four antecedents namely: product importance, the symbolic value of the product, risk importance and the pleasure value associated with the product. Zaichkowsky (1987) suggests that involvement could be categorised as affective or cognitive where for example, automobiles are classified as high involvement/cognitive product type; chocolate and other consumables represent low involvement/cognitive product type; diamonds and jewellery are classified as high involvement/affective product types; and lastly, cigarettes form part of low involvement/affective product types (Kim & Sung, 2008). Research by Mittal and Lee (1989) propose that product involvement is underpinned by three key values namely: symbolic, hedonic and risk values. The perceived symbolic value of a particular product is seen as *symbolic value*, the perception of pleasure a product can create relative to other products is known as *hedonic value*, while *risk value* indicates risk perception associated with purchasing a particular product (Neeley *et al*., 2010). Thus, as consumers perceive these values of a product, product involvement will develop (Hollebeeck *et al*., 2007). As such,

stimulating the perception of these three values are essential for marketers to develop product involvement.

Evidence of a link between the level of involvement, product type and purchase situation have been reported (Jeager *et al*., 2009; Lockshin & Hall, 2003). More specifically, three types of situations are relevant to the marketing strategy namely: the communication situation, purchase situation and consumption situation as avenues to develop product involvement. A number of studies have investigated the relationship between the consumption situation and the number of brands considered, the type and source of information and price limits - in short, consumers prefer different products or brands for different consumption occasions (Agnoli *et al*., 2011; Camillo, 2012; Jaeger *et al*., 2009; Lockshin & Hall, 2003; Quester & Smart, 1998). As mentioned earlier, for the purpose of the current study consumers purchasing wine for own consumption will be investigated.

It has been found that a consumer's level of product involvement has a considerable effect on wine purchase behaviour, consequently product involvement should be investigated by wine marketers when wanting to understand the underlying motivation for wine purchase behaviour (Dodd *et al*., 2005; Hollebeek *et al*., 2007). Bruwer and Haung (2012) proposed the following conceptual definition of wine involvement:

> "Wine involvement is a motivational state of mind of a person with wine or wine related activity. It is said to reflect the extent of personal relevance of the wine related decision to the individual in terms of one's basic values, goals, and self-concept. Its consequences are types of searching, information processing, and decision making."

Consumers rely heavily on product attributes as a source of information during decision making. Hence, the relative importance of wine product attributes during decision making depends significantly on the consumers' level of involvement with the wine (Aurifeille, Quester, Lockshin & Spawton, 2002; Bruwer & Haung, 2012; Lockshin, Quester & Spawton, 2001). It has for example been found that consumers with low levels of involvement rely heavily on price, awards and well-known brand names as quality cues (Hollebeek *et al*., 2007; Lockshin & Spawton, 2001). Similarly

country of origin and grape variety are associated with higher levels of involvement (Bruwer & Haung, 2012).

Park and Moon (2003) argue that consumers' product involvement levels could influence consumers' knowledge levels. For instance highly involved consumers are likely to utilise more sources of information (such as magazines, the Internet and discussions with sales representatives) due to their interest in learning more, whereas low involvement consumers attempt to simplify choices by means of risk reduction strategies (Lockshin, Wade, d'Hauteville & Perrout, 2006). As mentioned earlier, gaining product knowledge, tasting the wine prior to purchase and using product attributes to signal quality during purchase is seen as risk reduction strategies. With regards to involvement, the risk reduction strategy that low involvement wine consumers predominantly use is product attributes – for instance the price-quality relationship.

To summarise, the existing body of literature infers that the level of product involvement is an important variable in consumer segmentation (Bruwer & Haung, 2012) and it has been posited that consumers' involvement levels could assist marketers in predicting their responses to marketing communications. Therefore, wine marketers should investigate different consumer purchase occasions and levels of product involvement to establish a valid basis for wine consumer segmentation. This segmentation knowledge could also extend into marketing communication strategies, to ultimately gain a competitive advantage. Given the focus on wine purchase for own consumption, the following hypothesis is formulated:

> H_{06}: There is no difference between high, moderate, and low levels of product involvement and the volume of South African (New World) wine purchased for own consumption.

Hypotheses H_{04}, H_{05} and H_{06} are formulated in a response to the problem statement: Do different levels of subjective product knowledge, perceived risk and product involvement influence the volume of South African (New World) wine purchased per month for consumers' own consumption? The last phase of the consumer decision making process will be discussed in the following section.

3.7 OUTPUT: POST-PURCHASE

The post-purchase response commences with satisfaction or dissatisfaction towards a product offering, and if consumers are satisfied by the product outcome loyalty and commitment to the mature stage of the consumer decision making process will follow (Torres-Moraga, Vasquez-Parraga & Zamora-González, 2008). Expectations and (dis)satisfaction, at a theoretical level, remain debated issues amongst marketers due to the array of pre-consumption expectations consumers have in different situations and for different products (Santos & Boote, 2003). Figure 3.4 displays the output (post-purchase) stage of decision making.

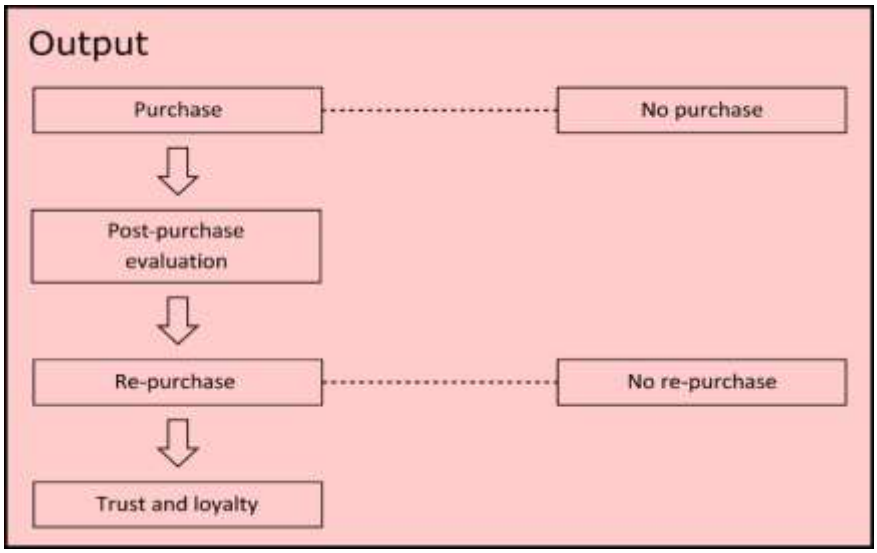

Figure 3.4: Output component of the consumer decision making process

Source: Erasmus et al., 2001; Hawkins & Mothersbaugh, 2013:25; Schiffman et al., 2014:15–16

In short, if a product exceeds their needs and expectations consumers are satisfied, and dissatisfied if the desired state is not met. Spreng and Mackoy, (1996) propose that (dis)satisfaction with a purchase experience is dependent on: a) attribute (dis)satisfaction, and b) satisfaction with the information provided on the product. Ultimately, the most important determinant for generating satisfaction and loyalty is through the product offering itself.

Often consumers experience post-purchase dissonance, otherwise known as regret of the purchase decision. Some of the reasons why consumers experience high cognitive dissonance is due to the performance of products that were excluded from

the consideration set, difficult purchase situations such as time pressure situations, and where large amounts of alternatives are available (Panda, 2014). In other words, marketers should not assume that if a product has been purchased, the product has been consumed in full.

Inevitably the post-purchase experience and cognitive dissonance may influence consumers' future purchase behaviour – whether to re-purchase, and ultimately become loyal toward the product or brand. If consumers experience dissatisfaction after purchase or consumption, the product may be returned and there will be a window of opportunity for marketers to rectify the situation, or consumers may not re-purchase the product. With reference to wine, the product is perceived as a relatively low financial risk product as consumers are prone to switch brands after an unsatisfactory experience, therefore not allowing marketers a substantial window of opportunity to regain consumer trust. As a result, marketers need to establish a well-known quality product that offers consistency and convenience to consumers (Van der Colff, Van der Merwe, Bosman, Erasmus & Ellis, 2016). Marketers can segment consumers on the basis of their experience during the purchasing process, as well as their post-purchase product experience and behaviour. Based on this segmentation, marketers can formulate marketing strategies in an attempt to gain loyalty and build a relationship with consumers (Garbarin & Johnson, 1999). Extending this belief, consumer relationship marketing forms an essential link between the purchase decision making process and consumers' post-purchase experience. Relationship marketing attempts to positively influence a consumer, by emphasising the advantages of building a bond or understanding with the supplier. Examples of advantages pertaining to relationship marketing are: consumer loyalty, consumer commitment, a decrease in the costs of recruiting new consumers and consumers building an emotional attachment to the product (Hawkins & Mothersbaugh, 2010:21; Beverland & Lindgreen, 2004). Ultimately, a relationship with consumers should encourage and strengthen the possibility of a future purchase, as well as strengthen the possibility that the consumer will recommend the brand to others. In this regard, a brand name is perceived as a strategic asset to marketers and should be managed accordingly (Castelo, Cabral & Coelho, 2016; Simmons, Bickart & Buchanan, 2000). Consequently, building a well-known, top-of-mind brand (that will be purchased in the future, but also recommended to others) is crucial for South African wine marketers.

You, Donthu and Lee (2000), propose that brand loyalty (stimulated by a satisfied experience and a strong relationship with consumers) ultimately results in high brand equity which in turn indicates that consumers have strong and positive associations with the brand and that the brand is perceived to be of high quality. Thus, marketing activities (such as price, store image and in-store promotions) should be strategically aligned with the objective to create a well-known brand (favourable associations and positive recommendations) (Castelo *et al*., 2016). South African wine marketers should focus on building a well-known brand through marketing activities to ensure that consumers select the branded wine based on a favourable reputation association, and recommend the brand to others.

The following section will show the significance of combining product attributes, subjective product knowledge, perceived risk and level of product involvement for the study at hand.

3.8 THE ROLE OF PRODUCT ATTRIBUTES, PRODUCT KNOWLEDGE, PERCEIVED RISK AND LEVEL OF PRODUCT INVOLVEMENT IN WINE PURCHASE BEHAVIOUR

A number of researchers have recommended that a combination of more complex decision making variables, such as perceived risk, product knowledge and level of product involvement be investigated alongside a variety of product attributes to provide a more comprehensive view on wine purchase behaviour (Chocarro, Cortiñas & Elorz, 2009; Chrea, Melo, Evans, Forde, Delahunty & Cox, 2011; Neeley *et al*., 2010). One of the major suggestions from wine purchase behaviour literature is that the decision making process for wine is similar to that of food, confirming the importance of *product attributes* in selection of the product. Notably, an extensive number of intrinsic and extrinsic product attributes influence wine selection (Neeley *et al.*, 2010).

A study by Viot (2012) investigates the influence of *subjective product knowledge* and *product attributes* on a wine consumer's consideration set. Viot (2012) recommends that an additional level (namely *moderate* product knowledge) is added to the analysis of subjective product knowledge, as Voit's (2012) study only included two levels (namely *expert* and *novice*). Furthermore it can be suggested that subjective product

knowledge should be investigated in a New World wine country context as the findings by Viot (2012) were based on an Old World wine country (France).

The influence of *perceived risk* on wine purchase behaviour has been investigated in several contexts and increasingly within a New World wine context (Felzensztein, Hibbert & Vong, 2004; Bruwer & Buller, 2012). An Australian wine consumer sample indicates that perceived risk has a significant influence on wine purchase behaviour within a New World wine country context (Lacey, Bruwer & Li, 2009). However in this study Lacey *et al.* (2009) concludes that the influence of perceived risk on wine purchase decision making should be investigated in other New World wine countries. Several New World wine studies (based in Australia, New-Zealand and the United States) investigates the influence of *level of product involvement* on wine purchase behaviour and suggest that low and high levels of involvement influence wine purchase behaviour (Barber, Ismall & Dodd, 2008; Bruwer & Johnson, 2010; Hollebeeck *et al*., 2007). However, two major recommendations emerged from these New World wine studies. Firstly, level of product involvement research should be extended into other New World wine countries due to the fact that findings may not be generalizable. Secondly, the influence of level of product involvement on purchase behaviour should be investigated alongside other complex consumer decision making variables.

From the aforementioned, it is evident that a void is apparent in wine consumer behaviour literature to combine subjective product knowledge, perceived risk and level of product involvement as expressed in the recommendations and limitations of empirical studies. Accordingly, a gap in New World wine consumer purchase behaviour literature has been identified that will be addressed in this study by combining these variables, together with product attributes, in the investigation of wine purchase behaviour within a South African context.

3.9 CONCLUSION

The decision making process applicable to complex products, such as wine, has become more comprehendible due to the incorporation of product variables in consumer research such as product attributes, product knowledge, perceived risk and

product involvement. Nevertheless, the complexity of consumer wine purchase behaviour is still evident and the unique challenge for wine marketers to gain insight into reasons underlying consumers' purchase behaviour remains. By extension, wine marketers should attempt to understand how marketing principles could facilitate creating a competitive advantage. In many industries (but especially the wine industry due to a highly cluttered market environment) insights into consumer satisfaction can be advantageous to marketers and used to develop marketing strategies that enhance the consumers' purchase experience and ensure that they have a positive post-purchase experience. In an attempt to assist the formulation of such strategies, the current study attempts to investigate the combined influence of product attributes, subjective product knowledge, perceived risk, product involvement on wine purchase behaviour. This chapter provided a framework for the design of the empirical study, while the following chapter will elaborate on the research methodology employed for the study at hand.

CHAPTER 4
RESEARCH METHODOLOGY

4.1 INTRODUCTION

“The quality of our research primarily follows the quality of our ideas; the quality of our ideas needs improvement”. This quote by Zaltman (1983) (cited by MacInnis, 2011:136), a renowned scientific marketing researcher, holds true as enhancements in the field of marketing depends on improved empirical research. Therefore, the need for continuous improvements in marketing research applications and findings are evident.

Methodology forms an integral part of any study as it assists with answering the research question in a valid and reliable manner. As South African research on wine purchase behaviour is limited (Von Armin & Herbst, 2009), the current study can be classified as exploratory research. Within social research, exploratory research allows researchers some degree of flexibility and pragmatism to uncover new phenomena and explore existing ones in greater depth (Stebbins, 2001:v). To provide insight into the methodology used, this chapter will firstly provide an overview on the marketing research process, secondly the research problem and objectives will be revisited to confirm the appropriateness of the research methodology, followed by a discussion on the research design, the fieldwork and data collection method and concluding with an overview on the data analysis.

4.2 RESEARCH PROCESS OVERVIEW

To choose the most appropriate marketing strategy, marketers rely on information (findings) from marketing research. Hence, the critical responsibility of providing marketing managers with information for strategic decision making rests upon marketing research (Malhotra, Hall, Shaw & Oppenheim, 2006; Nargundkar, 2007; Silver *et al*., 2013).

Marketing research is “a clearly defined search for answers to some questions which, if answered would, lead the company to make critical marketing decisions in a strategic or tactical manner” (Nargundkar, 2007:3–5). In other words marketing research is activated when there is an unanswered question or “information-gap”. To fill this information-gap, but adhere to the pre-determined time schedule and budget for the research project, a structured research process is used by marketers.

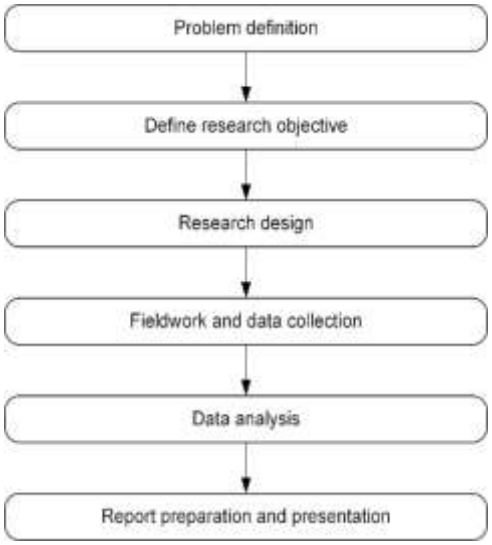

Figure 4.1: Research Process

Source: Adapted from Malhotra et al., 2006; Nargundkar, 2007:22; Zikmund et al., 2010:62

The research process (Refer to Figure 4.1) commences with a definition of the research problem which provides direction for setting up the research objectives, where after the research design, fieldwork and data collection, data analysis and finally reporting of findings follow.

4.3 RESEARCH PROBLEM, OBJECTIVES AND HYPOTHESES REVISITED

Based on the literature reviewed for this study, a void is apparent in that no published scientific literature could be identified that measures whether there is a difference in levels of subjective product knowledge, perceived risk, product involvement and wine purchase behaviour within a South African context. In addition, through discussions with industry leaders (for instance Marketing Director at Cape Legends Distell, Sales Director at Cape Legends Distell) a greater understanding on the purchase behaviour of South African wine consumers is of utmost importance to gain insights and align

marketing strategies alike. Thus, the **problem statement** for this study was formulated as: Do different levels of subjective product knowledge, perceived risk and product involvement influence the volume of South African (New World) wine purchased per month for consumers' own consumption?

Consequently, the **primary objective** were to determine if:

1) Different levels of subjective product knowledge, perceived risk and product involvement contribute to differences in wine purchase for own consumption in South Africa.

Additionally, no academic literature could be found that determines the importance of unique combinations of choice attributes and how they vary for levels of knowledge, perceived risk and product involvement. This resulted in the **secondary objectives**, namely to:

2) Identify which wine product attributes are considered important for a sample of South African wine consumers when purchasing a bottle of wine for own consumption, and
3) determine whether the unique combinations of product attributes vary for different levels (low, moderate, and high) of subjective product knowledge, perceived risk, and product involvement.

The six null hypotheses resulting from the objectives are presented below. These hypotheses will either be supported or not, based on the findings from the data collected and the statistical analysis performed.

> H_{01}: Consumers with different levels of subjective product knowledge do not consider similar combinations of product attributes as important when purchasing South African (New World) wine for own consumption.

> H_{02}: Consumers with different levels of perceived risk levels do not consider similar combinations of product attributes as important when purchasing South African (New World) wine for own consumption.

H_{03}: Consumers with different levels of product involvement do not consider similar combinations of product attributes as important when purchasing South African (New World) wine for own consumption.
H_{04}: There is no difference between consumers with high, moderate, and low levels of subjective product knowledge and the volume of South African (New World) wine purchased for own consumption.

H_{05}: There is no difference between consumers with high, moderate, and low levels of perceived risk and the volume of South African (New World) wine purchased for own consumption.

H_{06}: There is no difference between consumers with high, moderate, and low levels of product involvement and the volume of South African (New World) wine purchased for own consumption.

The objectives of the study have been adequately addressed as H_{01}, H_{02} and H_{03} denote to the secondary objectives, while H_{04}, H_{05} and H_{06} denote to the primary objective. The following sections will provide insight into the research design.

4.4 RESEARCH DESIGN

In the seminal work of Sellitz, Wrightsman and Cook (1976:50), research design is defined as “the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure.” For this study, exploratory quantitative research was conducted to answer the research questions and test the hypotheses.

Quantitative research can be defined as research that uses numerical measurements and analysis to address the research objectives derived from the research problem. Therefore, exploratory research was conducted to collect the quantitative data, which assigned numbers in an ordered and meaningful way (Rude, 2015; Zikmund *et al*., 2010:134-136). The following paragraphs allude to the secondary and primary research that was conducted to attain the research objectives.

4.4.1 Secondary research

Based on the research problem and objectives, the following step in the research process is to collect secondary data. Secondary data is previously collected data that were not collected for the purpose of the specific study, but provides insight into the topic at hand. Collecting secondary data has four major advantages. Firstly, in most cases, the literature and data is readily available; secondly, collecting secondary data is less expensive than collecting primary data; thirdly, secondary data can be collected relatively quickly; and lastly, the collection of secondary data does not include sampling and processing of data which can be costly and time consuming. However, some disadvantages of secondary research include that the data may be outdated, the definitions and measurement of constructs may differ, and the data may lack critical information to determine the accuracy of the data (Davis-Kean, Jager & Maslowsky, 2015; Zikmund *et al*., 2010:161).

The current study employed a semi-replica approach to fill a gap in South African wine marketing and consumer behaviour literature. A number of scientific research articles that focus on the wine industry in general have been published, but only a few have focused specifically on the South African wine industry (Von Armin & Herbst, 2009). Table 4.1 summarises the most important resources and material used to better understand the topic at hand. From this background research, the gap in the South African wine marketing literature became evident.

Table 4.1: Summary of empirical work reviewed as part of secondary research process

Consumer decision making	
Objective	To gain insight into the complexity and significance of decision making in purchase behaviour research.
Empirical studies	Abdul-Muhmin, 1999; Barber & Almanza, 2006; Bruner & Pomazal, 1988; Foxall, 1993; Ginon *et al*., 2014; Hawkins & Mothersbaugh, 2013; Jaeger *et al*., 2009; Jităreanu *et al*., 2014; Keown & Casey, 1995; Lockshin, 2003; Madahi & Sukati, 2012; Meyer, 2001; Morwitz & Schittlein, 1992; Neeley *et al*., 2010; Punj & Srinivasan, 1992; Sachdeva, 2015; Schiffman *et al*., 2014; Vlašic *et al*., 2011

Subjective product knowledge	
Objective	To investigate the link between subjective product knowledge and wine purchase behaviour.
Empirical studies	Bearder *et al*., 2001; Berger *et al*., 1994; Brucks, 1985; Chocarro *et al*., 2008; Dodd *et al*., 2005; Flynn & Goldsmith, 1999; House *et al*., 2004; Johnson & Bastian, 2007; Kolyesnikova *et al*., 2008; Lai, 1991; Moorman *et al*., 2004; Park & Lessig, 1981; Perrouty *et al*., 2006; Viot, 2012
Perceived risk	
Objective	To determine whether perceived risk influences wine purchase behaviour.
Empirical studies	Bruwer *et al*., 2013; Dholakia, 2001; Horvat & Došen, 2013; Lacey *et al*., 2009; Mitchell & Greatorex, 1989; Ost, 1995; Rundmo, 1999; Stone & Grønhaug, 1993; Yeung, 2010
Level of product involvement	
Objective	To determine whether level of product involvement influences wine purchase behaviour.
Empirical studies	Barber *et al*., 2007; Barber *et al*., 2009; Bian & Moutinho, 2008; Bruwer & Haung, 2012; Hollebeek *et al*., 2007; Jaeger et al., 2009; Mittal & Lee, 1989; Park & Moon, 2003; Quester & Smart, 1998; Zaichkowsky, 1985; Zaichkowsky, 1994
Wine packaging	
Objective	To better understand the importance of wine packaging dimensions to consumers.
Empirical studies	Arkell, 2003; Barber *et al*., 2006; Cox, 1999; Fandos & Flavián, 2006; Ginon *et al*., 2014; Hall, 2001; Hughes *et al*., 1992; Jeager *et al*., 2009; Lockshin, 2003; McGinty, 2010; Northen, 2000; Oczkowski, 2001; Orth & Krška, 2002; Viot, 2012

Intrinsic product attributes	
Objective	To determine which intrinsic variables are perceived to be the most important information sources when purchasing wine.
Empirical studies	Allegra, Zarbà & Muratore, 2012; Chocarro *et al*., 2009; Fandos & Flavián, 2006; Ginon *et al*., 2014; Lacey *et al*., 2009; Lockshin, 2003; Neeley *et al.*, 2010; Northen, 2000, Viot, 2012
Extrinsic product attributes	
Objective	To determine which extrinsic variables are perceived to be the most important information sources when purchasing wine.
Empirical studies	Allegra *et al*., 2012; Bruwer *et al*., 2013; Chocarro *et al*., 2009; Ginon *et al*., 2014; Neeley *et al*., 2010; Orth & Krška, 2002; Viot, 2012

As mentioned earlier, the insufficient number of published articles that focus on South African wine consumers' purchase behaviour underlined the importance of this research study. Additionally, the reviewed literature indicated that more sophisticated decision making variables such as subjective product knowledge, perceived risk and level of product involvement were under-investigated within wine consumer decision making literature. The under-investigated sophisticated decision making variables and complex nature of wine consumer decision making resulted in the consideration to investigate unique combinations of product attributes considered by consumers with different knowledge, risk and involvement levels. Based on these insights from secondary research, it can be confirmed that the objectives of the study were aligned with the existing gap in current literature.

Even though secondary research assisted the researcher to gain an understanding of wine purchase behaviour and affirmed the research objectives set, primary research had to be conducted to address the specific research objectives of the study.

4.4.2 Primary research

As previously stated, the aim of this study was to investigate whether there is a difference in levels of subjective product knowledge, perceived risk, product

involvement and wine purchase behaviour within a South African context. Additionally, the researcher attempted to gain insight into which wine product attributes are mostly utilised when purchasing wine for own consumption by consumers with different levels of subjective product knowledge, perceived risk and product involvement. To attain these objectives, primary research had to be conducted.

The primary research design selected for this study was a survey, as it allows for a larger potential sample size with the aim to project findings to the general population (South African wine consumers). Surveys, in the form of interviews or questionnaires, can be used to collect information on participants' experiences, attitudes or knowledge (Punch, 2003:35). For this study data was collected by means of a self-administered questionnaire (refer to Appendix B). The following section will provide an overview of the measurement instrument used.

4.4.2.1 Measurement instrument

The questionnaire consisted of six sections and a total of 75 items (including Likert-type statements, nominal, ordinal and interval scales). Section A consisted of a screening section (nationality, date of birth and wine purchase patterns), followed by Section B that addressed the importance of product attributes with the inclusion of 25 best-worst scaling (BWS) items. Section C included eight items on subjective product knowledge and the respondent's level of perceived risk was determined in Section D (22 statements). In Section E, the respondents' level of product involvement was measured (6 statements) and lastly Section F gathered demographic information.

The items in Section A were adapted from instruments used by Bruwer and Haung (2012), Lacey *et al*. (2009) and McGinty (2010). These screening items gathered information on wine purchase and consumption behaviour and determined whether respondents could be included in the study. The 25 BWS items in Section B were proposed by Ginon *et al*. (2014) and Viot (2012), showing reliability with Cronbach's Alpha co-efficient (α) of 0.95 respectively. The items pertaining to subjective product knowledge in Section C were derived from research conducted by Viot (2012). The measurement items for subjective product knowledge showed good reliability in Viot's (2012) study, with a total Cronbach's Alpha co-efficient of 0.95. These items are

indicative of a self-assessment measure and form the basis for classification in to subjective product knowledge levels. Section D comprises of statements adapted from Bruwer *et al*. (2013) and Lacey *et al*. (2009) reporting reliability of 0.95 in these studies. Again, these items were suggestive of a self-assessment measure and form a classification bases for different levels of perceived risk. The statements included in Section E for level of product involvement were adapted from Zaichkowsky (1994:65), as identified in Bruner (2013:113). Zaichkowsky (1994:65) reports that the stability of the statements included in this scale were tested among two subsets and four product types, showing internal consistency Cronbach Alpha values ranging between 0.95 and 0.97. Yet again, a self-assessment measure approach gave way to bases for classification of levels of product involvement. Lastly, the demographic items included in Section F were adapted from Barber *et al*. (2006). The measurement items and statements that were included in the compiled questionnaire displayed sound psychometric properties when applied in previous studies and as such could be used with an adequate level of confidence in the current study.

Pertaining to the secondary objectives of this study, Lockshin and Hall (2003) noted (after a review of 75 studies) that many wine consumer behaviour studies use simple questionnaires with rating scales to measure consumer preference for wine product attributes during decision making. However, for an advanced understanding of the unique combinations of wine product attributes that influence purchase behaviour, either choice-based experiments or the analysis of the actual purchase have been suggested. The analysis of actual purchase behaviour does however have the disadvantage that no new combinations of attributes can be tested, only the purchase made (on applied combinations of attributes) (Cohen, 2009).

Subsequently, discrete choice experiments are a powerful method in marketing as respondents are presented with various combinations (referred to as product concepts) of attributes between which they should make trade-offs. Overcoming the weakness of the analysis of actual purchase behaviour, discrete choice experiments thus allows for additional “new” combinations of attributes to be tested for preference (Chrysochou, Krystallis, Mocanu & Lewis, 2012). As an extension of such paired comparison experiments and to overcome scale-based survey issues, best-worst scaling (BWS) has been suggested by Finn and Louviere (1992).

Since the emergence of Finn and Louviere's (1992) BWS method, the use thereof has become popular in wine marketing research (Chrysochou *et al*., 2012). Cohen (2009) identified advantages of BWS, when compared to other scaling methods for wine marketing research, as follows: respondents are asked to make trade-offs between attributes; a better discrimination of the attributes are possible; researchers can construct an individual-level ranking by means of a relatively simplistic structure, particularly for online surveys; BWS allows attributes to be ranked and compared to others by means of a ration scale; and finally the BWS scores can be analysed without standardising the data.

In short, BWS requires respondents to choose the most preferred listed item (in wine research these are usually product attributes) and the least preferred listed item. Figure 4.2 displays an example of a correctly completed BWS item.

MOST	ATTRIBUTE	LEAST
X	Wine merchant name	
	Easy drinking wine	
	Brand name	
	Grape variety	**X**
	Bottle shape/design	

Figure 4.2: BWS item example

For this particular study the 25 product attributes suggested by Ginon *et al*. (2014) and Viot (2012) were combined to form 25 sub-sets of five items each, using a Balanced Incomplete Block design (BIBD) (Chrysochou *et al*., 2012; Cohen, 2009).The BIBD ensures that each attribute appears exactly the same number of times in all sub-sets (for example 5 times in this study) and that the combination of attributes in a sub-set appears together only once (Flynn & Marley, 2013).

4.4.2.2 Sampling

Sampling is a method of dividing a large target population into subsets, in an attempt to generalise the findings gathered from the sample to the larger population. A

population is defined as a complete group that share some common characteristics (Onwuegbuzie & Collins, 2007; Tabachnick & Fidell, 2014:39; Zikmund *et al.*, 2010:387-389). Sampling is an integrated part of marketing research and can provide some distinct advantages (Weiers, 1984:103; Zikmund *et al*., 2010:387). Firstly, sampling is a less expensive process, secondly sampling significantly reduces labour and cost requirements pertaining to data collection and fieldwork, and lastly the reduction of time is inevitable when sampling is executed effectively.

According to Maylor and Blackmon (2005:194) it is critical that the sample is representative of the population to ensure validity and generalisability. The sampling process proposed by Zikmund and Babin (2007) is illustrated in Figure 4.3.

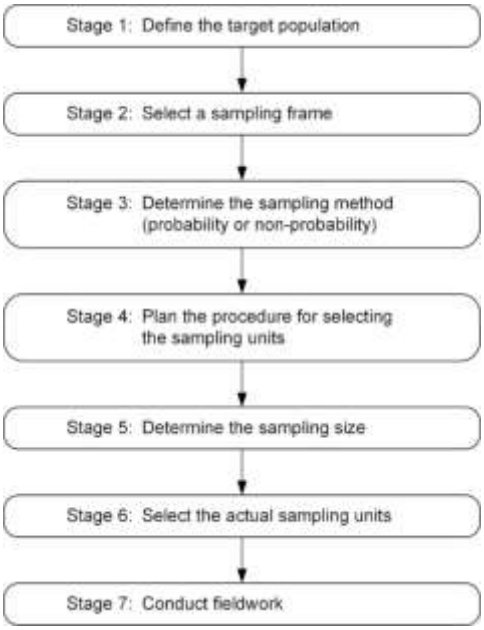

Figure 4.3: Stages in the selection of a sample

Source: Bosnjak, Haas, Galesic, Kaczmirek, Bandilla & Couper, 2013; Zikmund & Babin, 2007:390-391

Each stage in the sampling selection process guides the researcher in the selection of a (representative) sample. These decisions are highly interrelated and the nature of the study being conducted determines the sequence of the decisions (Zikmund & Babin, 2007: 406). The stages in the sample selection process for the current study will be briefly discussed below.

Define the population: It is important that the correct and relevant target population must be selected to properly define the source of primary data. The target population

is described in terms of certain preliminary characteristics (such as nationality and date of birth) and demographic information pertains to age, gender, gross monthly household income, ethnicity and the geographical area in which the respondent lives (Barber *et al*., 2006; Bruwer & Haung, 2012; Lacey *et al*., 2009; McGinty, 2010).

The population for the current study consists of South African citizens, above the legal alcohol consumption age of 18-years, who have purchased a bottle of wine for own consumption in the past three months prior to answering the questionnaire.

Sampling method and sample size: A non-probability convenience sample was used. *Non-probability sampling* can be defined as a procedure where the probability of any particular member of the population being chosen is unknown to the researcher (Tansey, 2007). *Convenience sampling* provides the researcher with the opportunity to select sampling units (respondents) that are the most conveniently available (Özdemir, Louis & Topbas, 2011; Zikmund *et al,* 2010:396). The use of convenience sampling was deemed adequate for this study due to time and budgetary constraints, and the need for a large number of respondents.

It is important to note that results from convenience sampling cannot be generalised to the larger population nor be projected beyond the specific sample. As such, convenience sampling is often used for exploratory research (Zikmund *et al.,* 2010:396). A sample size of between 200 and 300 respondents (completed questionnaires) was proposed, given the nature of the research objectives and statistical analysis (Kidd, 2015). A sample size of 702 respondents (n=702) realised but due to completion errors, only 642 questionnaires (n=642) could be used in data analysis.

Procedure for selecting sampling units and fieldwork: The twentieth century's advancements in technology have introduced revolutionary means to administer research studies. Such advancements include online questionnaires that were first introduced to the field of marketing research during the 1980's (Lefever, Dal & Matthíasdóttir, 2007). The increased use of online questionnaires stems from the many advantages such as: speed and timelessness, flexibility, convenience, diversity of question format, relatively low administration cost, ease of follow-up, obtaining a

large sample, demolishing geographical boundaries, requiring completion of questions (thus limited or no missing values), screening and ease of data entry and analysis. Nonetheless, some disadvantages may prohibit researchers from considering the use of an online questionnaire such as: a decrease in response rates, limited access to data bases, the perception of mistrust in questionnaire responses (actual versus responded behaviour), questionnaire length, privacy and security issues, and respondents who perceive online questionnaires as spam. It has been suggested that in some cases the refusal rates for online questionnaires may be 50 per cent or higher (Evans & Mathur, 2005; Lefever *et al.,* 2007).

Notwithstanding these disadvantages, an online questionnaire was used, motivated by the advantages offered in terms of time, cost and geographical reach. After developing the online questionnaire, an online pilot study was conducted in an attempt to identify and resolve potential problems that respondents might encounter and to determine face validity. The participants in the pilot study included academics and experts in the field of Marketing and Consumer Psychology (n=15). The feedback from the pilot study indicated the need to clarify some wording and structural elements of the questionnaire, however these respondents confirmed the face validity of the measurement instrument.

For the main study, potential respondents in the sample needed to reflect differences in: age, gender, geographical locations, income, wine interest, wine knowledge, and purchase patterns. In an attempt to compile such a diverse sample, three main sources of possible respondents were used, namely: personal and professional (wine industry related contacts) sources, an open online forum source, and a South African wine website source (Wine.co.za).

For the personal and professional sources of information, an introductory e-mail was sent to a network of forty individuals (including industry and personal contacts compiled by the researcher, hence constituting to convenience sampling) inviting each individual to provide a number of e-mail addresses or recruit contacts who might be willing to participate in the online survey. An incentive (standing a chance to win a case of wine) was presented to the participating network of individuals in an attempt to increase the number of responses. This method, referred to as snowball sampling,

is a technique used to find research respondents whereby potential respondents provide names of other individuals, who in turn provides the researcher with another contact individual, and so on (Atkinson & Flint, 2001). In other words, when a researcher is challenged to find hard-to-reach respondents who have the desired sample characteristics, one respondent's social network can be used to recruit similar respondents in a multi-staged process (Sandler, Lee, Lim & Fullerton, 2010). It has been suggested that the snowball technique may assist researchers with limited budgetary, time and social reach resources (Baltar & Brunet, 2012). Perez, Nie, Ardern, Radhu and Ritvo (2011) proposed that snowball sampling is effective, in particular for ethnically diverse countries – such as South Africa. South Africa is known to be a highly diverse country with a population of nearly 55-million, showcasing a wide variety of cultures and languages within a large geographical area (land area amounts to 1,213,662 Km^2) (SouthAfrica.info, 2016; WorldOMeters, 2016). Even though the rich diversity of South Africa provides great scope for researchers to propose diverse samples, researchers are often challenged by budgetary, time and social reach constraints – hence the merit of snowball sampling. Thus, initially the researcher used convenience sampling to set up a personal and professional database of potential respondents, after which snowball sampling was used to reach additional potential (and in many cases unreachable) respondents.

Additionally, the invitation to participate in the study was promoted on two online wine forum websites (with the approval of the administrators of the forum), namely: the South African Wine LinkedIn page (this wine forum has a membership of 1 362 individuals throughout South Africa in 2016) and the Women in Wine Facebook page (±100 women from the Stellenbosch winelands region involved and interested in wine with many industry contacts). The members of these forums were invited to send the researcher (whom is also a member of these groups and known by other group members, hence providing access as a means of convenience sampling) their e-mail address if they were willing to participate. In addition, the close nit Women in Wine group allowed a snowball effect to more so reach respondents from both genders.

The online questionnaire was also posted on Winenet (Wine.co.za). Winenet has an online readership of South African wine lovers, buyers, agents, professionals, media participants, winemakers and consumers. After contacting and gaining assistance

from the webpage administrators a closed advertisement was sent to individuals included in the online shop database (±6 600 visits a week) and secondly an open advertisement was posted on the Wine.co.za news forum (±6 300 visits a week). A profile of the researcher (short description and image) was linked to a short article of 500-words on the news forum, inviting individuals to participate in the online questionnaire by following the link provided. Refer to Appendix F.

Each potential respondent was presented with an incentive to win one of three wine-related prizes (the link was distributed to potential respondents via e-mail). Each e-mail included a cover letter, voluntary informed consent and a confidentiality agreement to adhere to the ethical guidelines of the study. Additionally an estimated time frame was given for completion of the questions (10 – 15 minutes).

Ethical clearance for this study was obtained from Stellenbosch University's Departmental Ethics Screening Committee (DESC). The ethical clearance process commenced with the completion of the DESC checklist. The DESC checklist included questions to determine whether the study at hand (if human participants are used as a sample) meets the ethical research requirements of the institution. Thereafter the checklist was submitted and the researcher received ethical approval to commence with the study.

4.5 DATA ANALYSIS

The following section provides an overview and brief discussion of the statistical methods used in the data analysis (descriptive and inferential statistics). All analyses were conducted with SPSS version 23 (Statistical Package for the Social Sciences - a computerised program for statistical analysis).

The reliability and validity of the measurement instrument (self-administrated questionnaire) scales were assessed. *Validity* can be defined as the accuracy of a measure or the extent to which a score truthfully represents a concept (Julnes, 2011; Zikmund *et al.,* 2010:307). *Reliability* is an indicator of a measure's internal consistency, where different attempts to measure the same construct will converge on the same result (Streiner, 2003; Tbachnick & Fidell, 2014:153).

According to Zikmund *et al*. (2010:307-308) there are a number of approaches to deal with the evaluation of *validity*: internal, external, content, construct and face validity. For the current study, face validity was considered. Face validity can be defined as the instance where a scale's content logically appears to reflect the indented measurement. Face validity can be confirmed if experts believe that the measure provides adequate coverage of a concept (Hardesty & Bearden, 2004). As mentioned earlier, feedback from the respondents (which also included experts in the field of marketing and consumer psychology) in the pilot study confirmed face validity of the measurement instrument. Questionnaire *reliability* was determined by conducting a Cronbach's Alpha reliability test. Questionnaire items that showed coefficient alpha scores below 0.7 were deleted taking into account the item-total correlations (Streiner, 2003). In the case of low reliability (internal consistency) an exploratory factor analysis (EFA) was conducted. EFA is a complex and multi-staged process widely used by social science researchers to uncover the underlying structure of a relatively large set of variables (Costello & Osborne, 2005; Fabrigar, Wegener, MacCallum & Strahan, 1999). Ultimately, EFA attempts to reduce the number of variables (questions) by exploring intercorrelation between variables. For instance, these intercorrelations may show the variables that correlate strongly, consequently indicating an underlying factor (Costello & Osborne, 2005). More detail on this analysis are provided in Chapter 5.

Descriptive statistics can be defined as statistics which summarise and describe the data from a sample in an understandable manner, to enhance the understanding of the properties of the data (Zikmund *et al.,* 2010:413). There are two types of descriptive statistics, namely: central tendency (mean, median and mode) and dispersion (standard deviation) of which mean and standard deviation will be reported (Shi & McLarty, 2009). The data collected in Sections A and F of the questionnaire will be reported on in the following chapter and provides insight into the sample profile. This sample profile will in turn assist the researcher to interpret the data to draw conclusions and make recommendations.

Inferential statistics test hypotheses regarding differences in populations based on samples from the population in question (Allua & Thompson, 2009; Tabashnick & Fidell, 2014:39). In the testing hypotheses, the null hypothesis (H_0) can be defined as "an assumption that no difference exists between the sample parameter and the

population statistic" (Cooper & Schindler, 2006:720). In the case where the null hypothesis is supported, the alternative hypothesis (H_A), or logical opposite of the null hypothesis, is not supported and vice versa.

A one-way ANOVA was employed to analyse *differences* between wine drinkers' preferences, characteristics and other factors that contribute to wine purchase behaviour by distinguishing between levels of product knowledge, risk and involvement to ultimately address the *primary objective*. A one-way ANOVA compares means between groups to determine whether the means significantly differ from one another (Chandrakantha, 2015; Viot, 2012). This analysis is described as one-way, as the impact of only one independent variable is analysed in accordance to the dependant variable. The one-way ANOVA will indicate whether the groups differ, yet the omnibus test will not show where the *significant* differences are (Pallant, 2005:97). The findings from the one-way ANOVA provides the opportunity to contribute to the understanding of the influence of different levels of subjective product knowledge, perceived risk and level of product involvement on wine purchase behaviour (measured by monthly number of bottles purchased for own consumption). In the case of significant differences between groups, ANOVA is often followed by pair-wise comparisons of which the post-hoc Fisher's LSD (Lest Significant Difference) test is one. The Fisher's LSD post-hoc test computes the smallest significant difference between two means (LSD) as if these means were the only to compare, by which to declare whether there were any significant larger differences to the LSD – hence revealing significant differences between means (Williams & Abdi, 2010).

The BWS scores (calculated by considering mean and standard deviation values) were analysed by means of between-group and within-group one-way ANOVA in order to address the *secondary objectives*. The one-way ANOVA analysis provided insight into significant differences within and between groups of respondents (low, moderate, and high levels of subjective product knowledge, perceived risk, and level of product involvement). Additionally, the Fisher's LSD (Least Significant Difference) post-hoc test was conducted to determine where the significant differences were. The findings from the Fisher's LSD post-hoc test provided the opportunity to examine the unique combination of product attributes that consumers with different levels of subjective product knowledge, perceived risk and level of product involvement consider as

important during purchase decision making. These findings contribute to the recommendations on the use of product attributes for different wine consumer segments (based on knowledge, risk and involvement levels).

4.6 CONCLUSION

The purpose of this chapter was to provide a blueprint for the methodology followed in this study. The broad aim of the methodology was to describe the appropriateness of the research design. The procedures and techniques included in the research design provide insight into how information was identified, selected and analysed to understand the research problem. Such a blueprint is critical to the validity and reliability of the conclusions drawn and recommendations made.

This chapter included a description of the research design, the research instruments used, the sampling plan and the data analysis method used. The research methodology thus served as a guideline which enabled the researcher to follow a structured framework to gather and analyse the appropriate data. The following chapter presents the findings and discussion.

CHAPTER 5
RESULTS AND DISCUSSION

5.1 INTRODUCTION

The primary research objectives of this study were to determine whether different levels of subjective product knowledge, perceived risk and level of product involvement influence the volume of South African (New World) wine purchased per month for consumers' own consumption. The secondary objectives were to determine the unique combination of wine product attributes that are important for a Sample of South African consumers with different levels of subjective product knowledge, perceived risk and product involvement levels.

The aim of this chapter is to report, interpret and discuss the empirical results derived from the primary data obtained. This chapter will present the feedback for the face validity and results for the reliability analysis of the measurement instrument, an overview of the sample profile, followed by the results of the hypotheses testing. Additionally, the exploratory factor analysis (EFA) results for the perceived risk scale will be reported and discussed in brief. Finally, the empirical assessment for the hypotheses testing will be presented.

5.2 FACE VALIDITY AND RELIABILITY ANALYSIS OF THE MEASUREMENT INSTRUMENT

Face validity and internal consistency reliability were measured to determine the reliability of the measurement instrument. Face validity was established by means of a pilot study and was found to be high (as expected due to the fact that a semi-replica study was conducted) and a Cronbach's Alpha reliability analysis was conducted to determine the reliability of the measurement instrument (Churchill, 1979; Lance, Butts & Michels, 2006).

The reliability tests were only conducted on Sections C, D, and E of the questionnaire, as only the data in these sections were used in the hypotheses testing. The guideline

for the interpretation of the Cronbach Alpha values were: a questionnaire item was deemed to have acceptable reliability if it reached a value greater than 0.7 (Pallant, 2005:173). The item-total correlations were also considered (above 0.3). The reliability results are shown in Table 5.1.

Table 5.1: Reliability analysis for subjective product knowledge, perceived risk, and level of product involvement

Construct	Item number	No. of items	Coefficient Alpha	Alpha if deleted	Item-total correlations
Subjective product knowledge		3	0.86		
	1			0.81	0.73
	2			0.80	0.75
	3			0.81	0.74
Perceived risk		22	0.58		
Functional risk		4	0.45	0.51	0.36
	1			0.26	0.35
	2			0.45	0.17
	3			0.42	0.23
	4			0.34	0.30
Physical risk		3	0.63	0.63	0.14
	1			0.59	0.40
	2			0.51	0.46
	3			0.50	0.47
Financial risk		3	0.72	0.56	0.25
	1			0.61	0.57
	2			0.70	0.49
	3			0.60	0.59
Social risk		4	0.41	0.44	0.51
	1			0.42	0.15
	2			0.57	0.00
	3			0.15	0.40
	4			0.11	0.42
Psychological risk		3	0.40	0.49	0.41
	1			0.68	0.02
	2			0.10	0.32
	3			0.00	0.45
Time risk		5	0.47	0.54	0.29
	1			0.34	0.37

Construct	Item number	No. of items	Coefficient Alpha	Alpha if deleted	Item-total correlations
	2			0.61	0.03
	3			0.40	0.27
	4			0.26	0.50
	5			0.40	0.27
Level of product involvement		6	0.93		
	1			0.91	0.84
	2			0.92	0.78
	3			0.91	0.86
	4			0.92	0.84
	5			0.93	0.77
	6			0.92	0.77

The reliability results are discussed in the following paragraphs.

5.2.1 Reliability analysis for subjective product knowledge

The Cronbach Alpha value for the *subjective product knowledge* scale was 0.86. The individual items showed acceptable reliability in measuring subjective product knowledge with all values exceeding 0.7. The item-total correlation indicates the degree to which each item correlates with the total score, and for subjective product knowledge all items correlated above 0.7 to the total score. These scores indicate that the items measure subjective product knowledge as intended. No items were deleted from further analysis.

5.2.2 Reliability analysis for perceived risk

The Cronbach Alpha of 0.58 for the total *perceived risk* scale indicated that the items were not a reliable measure of the construct, perceived risk ($\alpha<0.7$). The items showed low item-total correlation values ranging from 0.14 to 0.51 (refer to Table 5.1). These low item-total correlation values indicate that these items did not measure the intended perceived risk construct accurately – this result can partly be explained due to the small number of items assigned to each perceived risk dimension. Deletion of items

(α<0.7) did not contribute to the increased reliability and therefore the scale should be re-considered for inclusion in further analysis.

Cronbach Alpha values for *time* (0.47), *functional* (0.45), *social* (0.41), and *psychological* (0.40) risk were below 0.7 and the per-item Cronbach Alpha if deleted values were all below 0.7. For *financial risk* a Cronbach Alpha value of 0.72 was noted whilst for *physical risk* indicated a Cronbach Alpha value of 0.63.

Consequently, the majority of the perceived risk dimensions were not reliable and the perceived risk scale proved to have internal consistency concerns for this sample and particular study. Douglas and Nijssen (2002) argue that the use and relevance of "borrowed" scales, which were intended for a particular domestic study, could flaw cross-national studies if the relevance and equivalence of the scale is not examined within the context of the other countries. Notwithstanding the pilot study conducted for the study at hand, this assumption could deem relevant in the findings for the perceived risk scale, and further investigations could assist South African wine marketing researchers to solve the internal consistency concerns. To investigate the scale further, an exploratory factor analysis (EFA) was conducted on the complete dataset.

According to Pallant (2005:173-175), factor analysis includes three main steps: firstly to determine the suitability of the data for factor analysis, secondly to extract factors, and lastly to perform factor rotations and to interpret findings. To test factorability, the suggested sample size should be at least 300 respondents (Tabachnick & Fidell, 2014:54). The sample size for the current study was n=642 and therefore deemed sufficient. By means of factor extraction, the smallest number of factors can be determined to best represent the interrelatedness of the set of variables (Likert-scale statements) (Osborne & Costello, 2009). Factor extraction was done by means of Horn's parallel analysis (Pallant, 2005:175) and the investigation of the screeplot, presented in Figure 5.1, revealed the presence of five factors, contradicting the six factors (perceived risk dimensions) included in the measurement instrument as proposed by Bruwer *et al*. (2013).

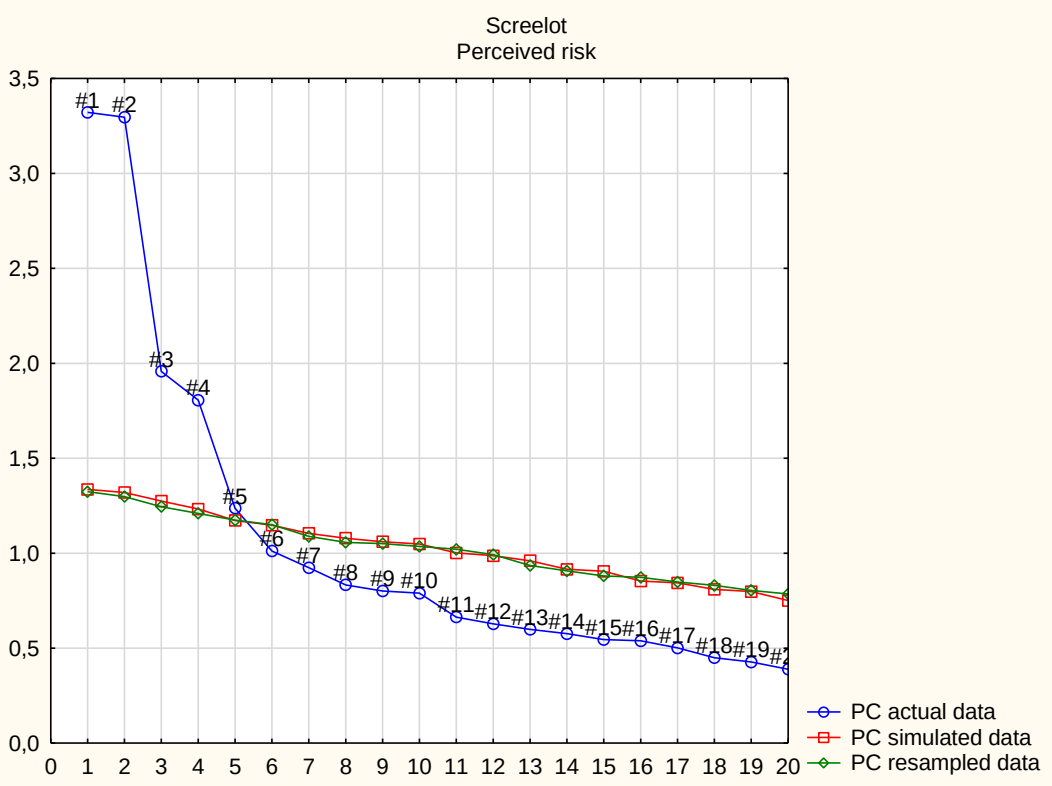

Figure 5.1: Horn's parallel analysis screeplot for perceived risk factor extraction

The five perceived risk factors explained 53 per cent of the variance in the dataset. There are two main approaches to factor rotation, namely: orthogonal (uncorrelated) and oblique (correlated). These approaches determine whether variables load strongly onto only one component, in other words it attempts to relate the calculated factors to theoretical entities (Brown, 2009). The standard Varimax rotation was applied (refer to Table 5.2).

Table 5.2: Varimax rotation for perceived risk factor loadings

Statement number	**Variable**	**Factor Loadings (Varimax normalised) (Yellow marked factor loadings are >0.7, Blue marked factor loadings are <0.7 but highest value)**				
		Factor 1	Factor 2	Factor 3	Factor 4	Factor 5
1	I consider whether the wine I purchase will not taste good	0,14	-0,06	0,09	0,04	0,80
2	I purchase wine to complement my food	0,08	0,32	0,19	0,06	0,17

Statement number	Variable	Factor Loadings (Varimax normalised) (Yellow marked factor loadings are >0.7, Blue marked factor loadings are <0.7 but highest value)				
		Factor 1	Factor 2	Factor 3	Factor 4	Factor 5
3	I consider the type of wine when I make a purchase (i.e. Shiraz, Sauvignon Blanc)	-0,09	0,22	0,20	-0,18	0,56
4	I consider whether the wine I purchase will be off (i.e. contain a fault or taint)	0,11	0,26	0,05	0,44	0,52
5	I am concerned about the amount of alcohol in a wine	-0,07	0,11	0,03	0,74	0,08
6	I consider the chance of a hangover when purchasing wine	0,13	-0,14	-0,01	0,73	0,04
7	When purchasing wine, I consider whether I may have an allergic reaction	0,08	-0,03	0,06	0,73	-0,17
8	The price of wine is an important factor in my purchase decision	0,07	-0,10	0,79	0,11	-0,03
9	The price of the wine I buy depends on the occasion I am purchasing it for	0,14	0,02	0,74	-0,05	0,09
10	I try to get value for money when I purchase wine	0,01	0,08	0,81	0,08	0,01
11	I buy wine to socialise with others	0,17	-0,04	0,50	-0,02	0,19
12	I am most likely used as a source of wine information in my circle of friends	0,00	0,76	-0,09	0,08	-0,01
13	I worry that others will not enjoy the wine that I purchase	0,73	0,03	0,07	0,05	0,14
14	I often seek approval from friends and/or family regarding my wine choice	0,79	0,02	0,09	-0,01	0,08
15	Others are impressed with my ability to make good wine selections	0,11	0,75	-0,09	-0,00	-0,12
16	I often have doubts about wine purchase decisions I make	0,76	-0,25	0,05	0,09	-0,06
17	The possibility of a negative impression affects the wine that I purchase	0,73	0,03	0,12	0,05	0,05
18	Shopping for wine is a fun and exciting activity	-0,00	0,70	-0,02	-0,15	0,15
19	Shopping for wine is time consuming	0,29	-0,08	0,14	0,17	-0,22
20	I know where to look to find wine-related information	-0,25	0,67	0,08	0,01	0,12
21	I pay a lot of attention to the wine I buy	-0,02	0,80	-0,01	-0,02	0,08
22	I frequently agonise over which wine to buy	0,47	0,34	0,06	-0,02	-0,07

Table 5.2 indicates that the 22 perceived risk statements loaded on five factors with eigenvalues exceeding 0.3 and proposed re-assignment of items to the five identified

factors could be considered. This consideration is tentative and future improvements and re-testing should be done before the instrument can be regarded as robust.

The risk dimensions suggested by Bruwer *et al*. (2013) and insight from the literature reviewed, assisted the researcher to assign statements to tentative factors and to describe and name these factors. The statements loaded on the five factor solution as follow:

- Factor one represents the *social risk* dimension. Statements 13, 14, 16, and 17 loaded on factor one;
- Factor two represents the *time and psychological (information seeking)* dimension. Statements 12, 15, 18, 20, 21 loaded on the factor two;
- Factor three represents the *financial risk* dimensions. Statements 8, 9, and 10 loaded on factor three;
- Factor four represents the *physical risk* dimension. Statements 5, 6, and 7 loaded on factor four, and;
- Factor five represents the *functional risk* dimension, while statement 1 loaded on factor five.

Statement 2 could load on factor two (*time and psychological risk*); statements 3 and 4 could load on factor five (*functional risk*); while statement 11 did not load significantly under any factor, it did show a factor loading of 0.5 toward *financial risk*, however the statement does not consist of any financial properties and therefore it may be suggested that this statement could load on factor one (*social risk*) if the statement had been reversed to a negative statement such as “I do not buy wine to socialise with others”; and statements 19 and 22 could load on factor two (*time and psychological risk*).

To summarise, the EFA for this dataset firstly suggested that the statements presented by Bruwer *et al*. (2013) for *physical* and *financial risk* loaded similarly for this dataset. Secondly, the EFA findings suggested that *time and psychological risk* statements seem to load on one factor. As *psychological risk* includes the mental stress a consumer feels during decision making and due to the significant *time risk* associated with wine purchasing according to Vlašić *et al*. (2011), this joint loading can be justified

to some extent. However, due to the exploratory nature of the study, the EFA findings can form the basis of future improvements and could add value to the field of wine consumer behaviour research in South Africa. Nonetheless, the improvement of the perceived risk scale does not fall within the scope of the current study and thus the scale was excluded from further analysis; the researcher would suggest future investigations on this result. Recommendations for future research will be discussed in more detail in Chapter 6.

5.2.3 Reliability analysis for level of product involvement

The Cronbach Alpha value for the *level of product involvement* scale was 0.93. This high value indicates that the statements were reliable in measuring the construct, affirmed by the item-total correlation values ranging from 0.77 to 0.86. None of the statements were deleted.

In summary, the subscales of subjective product knowledge and level of product involvement showed acceptable reliability, whereas the perceived risk scale indicated low reliability. Results from the perceived risk scale should be interpreted with caution for this sample as it did not meet acceptable psychometric properties. As such, the results on the perceived risk hypotheses (H_{02} and H_{05}) will not be addressed in the sections to follow.

5.3 SAMPLE PROFILE

The following section will provide an overview of the sample profile. As per the *screening questions* (Section A in the questionnaire) the respondents were only included in the sample if they were South African citizens, older than the legal South African drinking age of eighteen, and had purchased a bottle of wine for own consumption within three months prior to answering the questionnaire (Refer to Appendix B).

Most of the sample respondents (35%) were between the ages of 19 and 30 years, followed by 31 to 40 years (25%), 41 to 50 years (15%), 51 to 60 years (15%), and lastly respondents above 61 years who represented 10 per cent of the sample. All

respondents were South African citizens: 70 per cent lived in the Western Cape, 20 per cent in Gauteng, 5 per cent each in KwaZulu-Natal and Eastern Cape, whilst respondents from Mpumalanga (2%), the Free State (1%), Limpopo (1%), and North West (1%) represented only 5 per cent of the sample. The fact that the majority of respondents reside in the Western Cape could be attributed to the traditional wine drinking culture of this province and possible heightened interest in wine and consequent interest of respondents to participate in this study (Green, 2006; Foxcroft, 2009; Von Armin & Herbst, 2009). The snowball sampling technique applied could also be a contributing factor of the geographical dominance of the Western Cape (as friendship networks are usually in close proximity).

The sample comprised of 43 per cent male and 57 per cent female respondents with the white respondent groups in the majority (89%). Black (5%), Coloured (4%), and Indian (1%) respondents were under-represented in this sample. One percent of respondents indicated that they are part of *other* ethnic groups (unspecified). The ethnic distribution of the sample is not representative of the demographic profile of South-Africa, as approximately 80 per cent of South Africans are Black (African), approximately 9 per cent Coloured, approximately 8 per cent White, and approximately 3 per cent Indian (STATSSA, 2015:2). Hence, the generalisability of the data is limited, an issue that could be addressed in future research by adapting the sampling research design.

According to Foxcroft (2009), one of the major challenges for the South African wine industry is that many South Africans have never tasted wine. This phenomenon could partly have been compounded by the previous apartheid legislation that to a great extent excluded black consumers from the retail liquor trade. However, in the post-apartheid era wine industry participants have encouraged wide-spread exposure to wine products and have explored the emerging black middle class as a major target market.

Three percent of the respondents had a gross monthly household income (before deductions) of below R5 000, representing the lower income group. The lower middle income group (from R5 001 to R15 000) represented 15 per cent of the sample. The upper middle income group had the largest number of respondents (22%) with a gross

monthly household income from R15 001to R25 000. The upper income groups were represented as follows: 16 per cent in R25 001 – R35 000, 12 per cent in R35 001–R45 000, 11 per cent in R45 001 – R55 000 and the second largest part of the sample (20%) had a gross household income of more than R55 001 per month. Again, this income distribution is not representative of the South African population as the average monthly income (June 2016) is R17 422 for South Africans (tradingeconomics, 2016). The high unemployment rate in South Africa (26.6% in June 2016) influences the distribution of the average monthly income. The upper income groups (R25 001 – R55 000 and more) represent only 1 per cent of the South African population; while the income groups below the middle class represent more than 75 per cent of South African citizens (STATSSA, 2010; traidingeconomics, 2016; Visagie, 2013:4).

Bruwer and Haung (2012) as well as Lacey *et al*. (2009), propose that household income could significantly influence the price preference for red, white and rosé wine purchases. The average price range respondents would consider paying for a bottle of red, white and rosé wine and the sample percentage that purchase the wine in a particular price range is shown in Table 5.3 to Table 5.5.

Table 5.3: Red wine price range

Price range willing to pay	R30 – R50 Low priced	R51 – R90 Medium priced	R90+ Higher priced	Do not purchase red wine
Percentage of respondents	22%	55%	21%	2%

Table 5.4: White wine price range

Price range willing to pay	< R30 Low priced	R30 – R40 Lower-Medium priced	R41 – R60 Medium priced	R60+ Higher priced	Do not purchase white wine
Percentage of respondents	5%	30%	36%	24%	5%

Table 5.5: Rosé wine price range

Price range willing to pay	< R30 Low priced	R30 – R40 Lower-Medium priced	R41 – R60 Medium priced	R60+ Higher priced	Do not purchase rosé wine
Percentage of respondents	6%	29%	30%	8%	27%

The majority of the respondents (55%) are willing to pay between R51 and R90 for a bottle of red wine, while 22 per cent are willing to pay between R30 and R50, and 21 per cent are willing to pay more than R90. Noticeable similarities can be seen between the price ranges for white and rosé wines with the majority of the respondents (36% and 30% respectively) reporting a willingness to pay between R41 and R60.

As mentioned earlier, most of the respondents were from the upper middle income group, providing support for their preference to purchase affordable middle price range wines. Furthermore, respondents' gross monthly household income could also influence the number of bottles of wines purchased per month, where consumers predominantly purchase wines (e.g. grocery store, boutique wine stores) and the type of wines purchased (high or low priced) (Barber & Almanza, 2006; Barber *et al*., 2009; Hollebeeck *et al*., 2007; Martínez, Mollà-Bauzà, Gomis & Povera, 2006).

Forty seven percent of the respondents purchase on average one to five bottles of wine per month, 30 per cent purchase six to ten bottles, and 23 per cent purchase more than ten bottles. Eighty-one percent of respondents purchase wine on a weekly basis whilst 10 per cent purchase every two weeks, 3 per cent purchase every three weeks, and 6 per cent purchase once a month. Most of the respondents purchase wine predominantly from retail (grocery) stores (36%) followed by specialist liquor stores (31%), wine farms (cellar) (20%), online merchants (7%) and lastly boutique wine stores (6%). From these findings it is evident that respondents do not necessarily purchase a large number of bottles per week, resulting in low purchase volumes per month. These findings are consistent with findings from Barber and Almanza (2006) as well as Bruwer, Lesschaeve and Campbell (2012) who report that the primary purchaser of wine in a household is female and that they purchase approximately three bottles per visit (36% purchase from retail stores).

Respondents were asked to indicate which type of wine (only red, only white, a combination of red/white, mostly red, mostly white, and rosé) is considered when wine is purchased for own consumption. Respondents' wine purchase preferences are fairly equally distributed between the white and red wine groups with 39 per cent purchasing both red and white wines. Thirty-six percent indicated mostly red wine and 21 per cent mostly white. Rosé wines were considered for purchase by only 3 per cent of the sample. Based on the findings presented in Table 5.3 to 5.5, respondents were willing to pay more for red wine than white and rosé wines, the majority of the respondents were in the upper middle and higher income groups and purchase mostly red wine (following by a combination of red/white).

The sample profile's consumption and willingness to purchase, with regards to gross monthly household income groups, correlates with the findings from Holtzkampf (2015) suggesting higher purchase and consumption volume percentages for high priced red wines (47%) for the South African population, while high priced white and rosé wines attributed to 36 per cent and 18 per cent respectively.

5.4 HYPOTHESIS TESTING

In the subsequent paragraph the findings related to the difference in importance of product attributes are presented for respondents with different levels of subjective product knowledge and product involvement. The results for each of the hypotheses will be discussed separately.

5.4.1 Results and discussion of secondary objectives

Which unique combinations of product attributes do consumers with different levels of subjective product knowledge, perceived risk (excluded from further analysis) and level of product involvement consider important? The aim of the secondary objectives was to answer this question by means of the best-worst scaling (BWS) method. BWS was used to identify the most and least important product attributes for levels of subjective product knowledge and product involvement. Respondents were asked to identify most and least important attributes when considering the purchase of a bottle of wine for own consumption. Due to the subsets of five attributes presented to

respondents, each attribute could receive a best-worst score of between -5 (five times chosen as least important) and +5 (five times chosen as most important), thus an attribute score closer to +5 indicate that the attribute is important to the wine consumer and scores closer to -5 indicate that the wine attribute is of less importance to the consumer when purchasing a bottle of wine for own consumption.

The different levels of product knowledge and product involvement were determined by calculating a total score for each respondent based on self-assessment product knowledge and product involvement levels. Based on the criteria presented in Lockshin *et al*. (2006) and recommendations by Kidd (2015), respondents with a total score of 0 per cent – 33 per cent were grouped as low, 34 per cent – 66 per cent were grouped as moderate, and 67 per cent – 100 per cent were grouped as having high product knowledge and product involvement irrespectively.

5.4.1.1 Importance of product attributes and levels of subjective product knowledge

The BWS scores for respondents with low subjective product knowledge (total score of 0% - 33%) are presented in Table 5.6. The highest score (+1.64) was for *grape variety* closely followed by family/friends recommendations (+1.60), while the lowest scores were for *opinion of sales representative* (-1.75) and *alcohol content* (-2.15).

Table 5.6: Low subjective product knowledge – Ranking of importance of product attribute

Ranked	Attribute	Mean of individual BWS score	Standard deviation of BWS
1	Grape variety	1.64	2.20
2	Friends/Family recommendations	1.60	2.11
3	Price	1.41	1.53
4	Easy drinking wine	1.40	1.74
5	Medals/Awards	1.17	2.08
6	Vintage (year)	1.06	1.92
7	Brand name	0.80	2.02
8	Experts' opinion (Platter)	0.60	1.89
9	Information on front/back label	0.46	1.66
10	Aging method (e.g. oak barrels)	0.31	2.14

Ranked	Attribute	Mean of individual BWS score	Standard deviation of BWS
11	Region of production (terroir)	0.28	2.47
12	Country of origin	0.20	1.76
13	Promotions	-0.03	2.45
14	Colour of the wine	-0.24	1.91
15	Environmentally friendly e.g. Fairtrade	-0.37	2.78
16	Bottled at estate	-0.38	1.83
17	Label shape/aspects	-0.39	1.41
18	Wine merchant name	-0.55	2.52
19	General look of bottle	-0.64	2.13
20	Cork or screw cap closure	-0.85	2.25
21	Bottle shape/design	-1.04	2.13
22	Opinion of the press	-1.10	1.70
23	Organic vine	-1.42	2.00
24	Opinion of sales representative	-1.75	1.88
25	Alcohol content	-2.15	2.38

The BWS scores for respondents with moderate subjective product knowledge (total scores of 34% - 66%) are presented in Table 5.7. Similar to the results for low subjective product knowledge, respondents with moderate subjective product knowledge reported, with a noticeable greater BWS mean value, *grape variety* (+2.63) to be the most important attribute, followed by *vintage (year)* (+1.61), whereas *alcohol content* (-2.09) and *opinion of sales representative* (-2.31) were the least important product attributes.

Table 5.7: Moderate subjective product knowledge – Ranking of importance of product attribute

Ranked	Attribute	Mean of individual BWS score	Standard deviation of BWS
1	Grape variety	2.63	1.82
2	Vintage (year)	1.61	1.74
3	Price	1.37	1.47
4	Friends/Family recommendations	1.32	2.13
5	Region of production (terroir)	1.18	2.29
6	Medals/Awards	1.05	2.01
7	Aging method (e.g. oak barrels)	0.95	1.86
8	Experts' opinion (Platter)	0.88	1.83

Ranked	Attribute	Mean of individual BWS score	Standard deviation of BWS
9	Brand name	0.83	2.02
10	Easy drinking wine	0.69	1.85
11	Country of origin	0.29	1.60
12	Information on front/back label	0.12	1.41
13	Promotions	-0.09	2.41
14	Bottled at estate	-0.12	1.86
15	Colour of the wine	-0.32	1.91
16	Label shape/aspects	-0.60	1.53
17	Cork or screw cap closure	-0.82	2.20
18	Environmentally friendly e.g. Fairtrade	-0.83	2.51
19	General look of bottle	-0.86	2.01
20	Opinion of the press	-0.94	1.66
21	Wine merchant name	-1.05	2.40
22	Bottle shape/design	-1.30	1.88
23	Organic vine	-1.59	1.83
24	Alcohol content	-2.09	2.52
25	Opinion of sales representative	-2.31	1.85

The BWS scores for respondents with high subjective product knowledge (total score of 67% - 100%) are presented in Table 5.8. In accordance to low and moderate subjective product knowledge respondents, high subjective product knowledge respondents considered, with a noticeable greater BWS mean value reported, *grape variety* (+3.05) as the most important attribute, followed by *region of production (terroir)* (+2.52) while *opinion of sales representative* (-1.88) and *alcohol content* (1.96) were considered to be the least important attributes.

Table 5.8: High subjective product knowledge – Ranking of product importance of attributes

Ranked	Attribute	Mean of individual BWS score	Standard deviation of BWS
1	Grape variety	3.05	1.48
2	Region of production (terroir)	2.52	2.43
3	Vintage (year)	1.74	1.66
4	Brand name	1.17	2.05
5	Friends/Family recommendations	1.05	2.28
6	Price	1.05	1.57
7	Aging method (e.g. oak barrels)	1.03	1.80

Ranked	Attribute	Mean of individual BWS score	Standard deviation of BWS
8	Medals/Awards	0.73	2.23
9	Experts' opinion (Platter)	0.72	2.04
10	Country of origin	0.44	1.66
11	Information on front/back label	0.17	1.53
12	Promotions	-0.12	2.17
13	Easy drinking wine	-0.18	1.62
14	Colour of the wine	-0.24	1.59
15	Opinion of the press	-0.30	1.80
16	Bottled at estate	-0.34	1.71
17	Label shape/aspects	-0.86	1.35
18	Cork or screw cap closure	-0.86	2.15
19	General look of bottle	-0.89	1.95
20	Environmentally friendly e.g. Fairtrade	-1.38	2.19
21	Wine merchant name	-1.44	2.39
22	Organic vine	-1.59	1.72
23	Bottle shape/design	-1.62	1.76
24	Opinion of sales representative	-1.88	1.97
25	Alcohol content	-1.96	2.14

To determine whether there was a statistical significant difference in the product attributes considered as important for these groups of respondents (low, moderate and high subjective product knowledge) a one-way ANOVA was conducted. Results indicated a statistical significant difference ($p<0.05$) between respondents with low ($F=75.09$, $p=0.00$), moderate ($F=81.48$, $p=0.00$) and high ($F=63.48$, $p=0.00$) subjective product knowledge. Fisher's LSD post-hoc test was conducted to determine between which groups and on what product attributes (within groups) the significant differences were evident.

5.4.1.2 Importance of product attributes within groups for subjective product knowledge

The Fisher's LSD test results indicate the statistical significant differences between variables. In Figure 5.2 (low subjective product knowledge respondents) no statistical significant difference was found between the importance of *grape variety*, *family/friends recommendations*, *price*, and *easy drinking wine* (the letter "a" is

indicated in all these variables). Furthermore, no statistical significant differences in importance of product attributes were evident between the variable group of *price*, *easy drinking wine*, and *medals/awards* (the letter "b" is indicated for all these variables). However, there was a statistical significant difference between *grape variety* and *medals/awards* as well as the remaining twenty attributes listed to the right of *medals/awards* (no "a" value is indicated for *medals/awards* and the remainder of the variables).

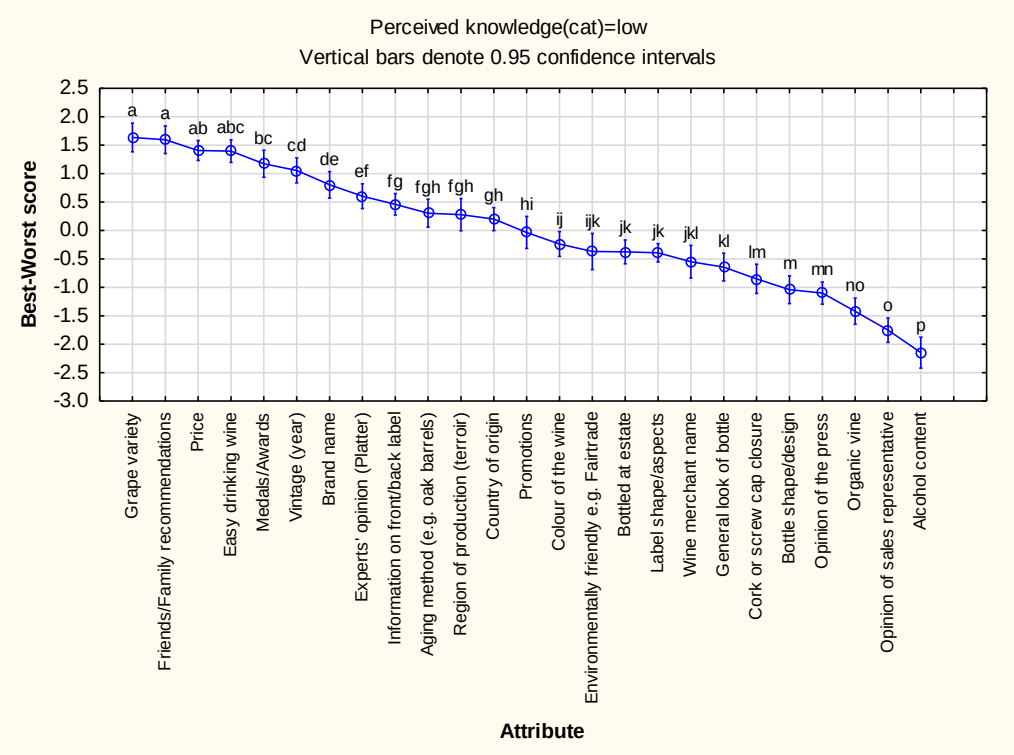

Figure 5.2: Significant differences between product attributes: Low subjective product knowledge respondents

As displayed in Figure 5.3, the Fisher's LSD test revealed that for respondents' with moderate subjective product knowledge, there were statistical significant differences in the importance of product attributes between *grape variety* when compared to all the other product attributes. Furthermore, for the product attribute group *vintage (year)*, *price*, *friends/family* and *recommendations* for example, no statistically significant difference is evident (the letter "b" is indicated for all these variables).

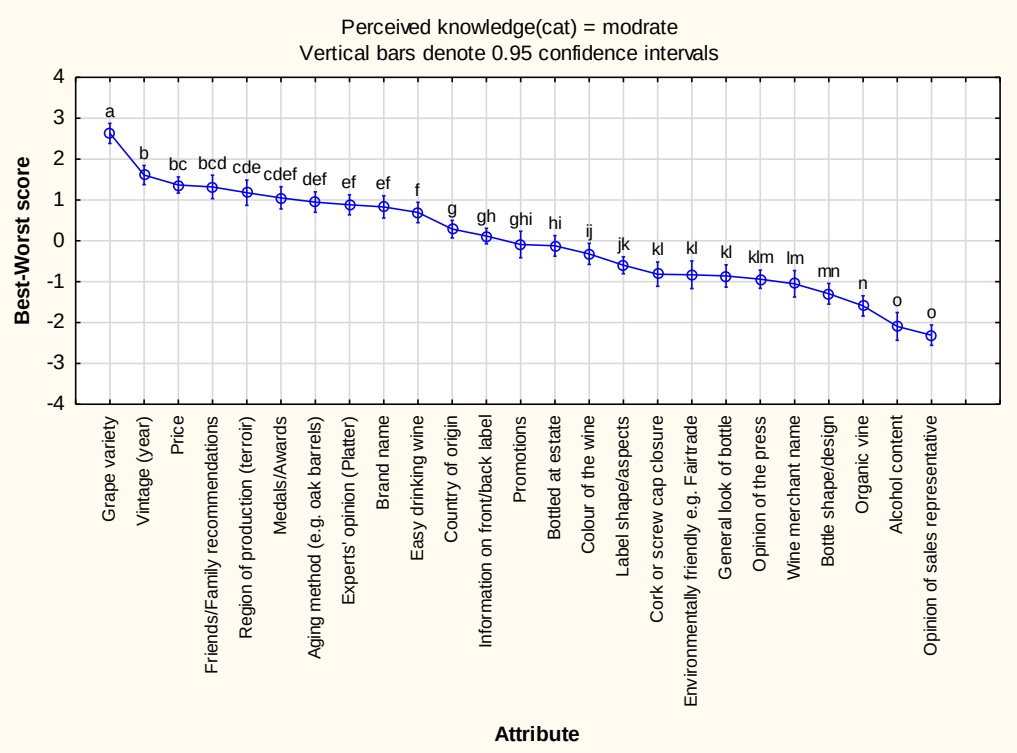

Figure 5.3: Significant differences between product attributes: Moderate subjective product knowledge respondents

In Figure 5.4 the Fisher's LSD test revealed three statistically significant product attributes (*grape variety*, *region of production* and *vintage*) that vary in importance for high subjective product knowledge respondents (the letters "a", "b" and "c" are indicated for these variables). While no statistically significant difference is evident in the importance of *brand name*, *price*, *family/friend recommendations*, *aging methods*, *medals/awards* and ***experts' opinion*** (the letter "d" is indicated in all these variables) as product attributes for respondents with moderate subjective product knowledge.

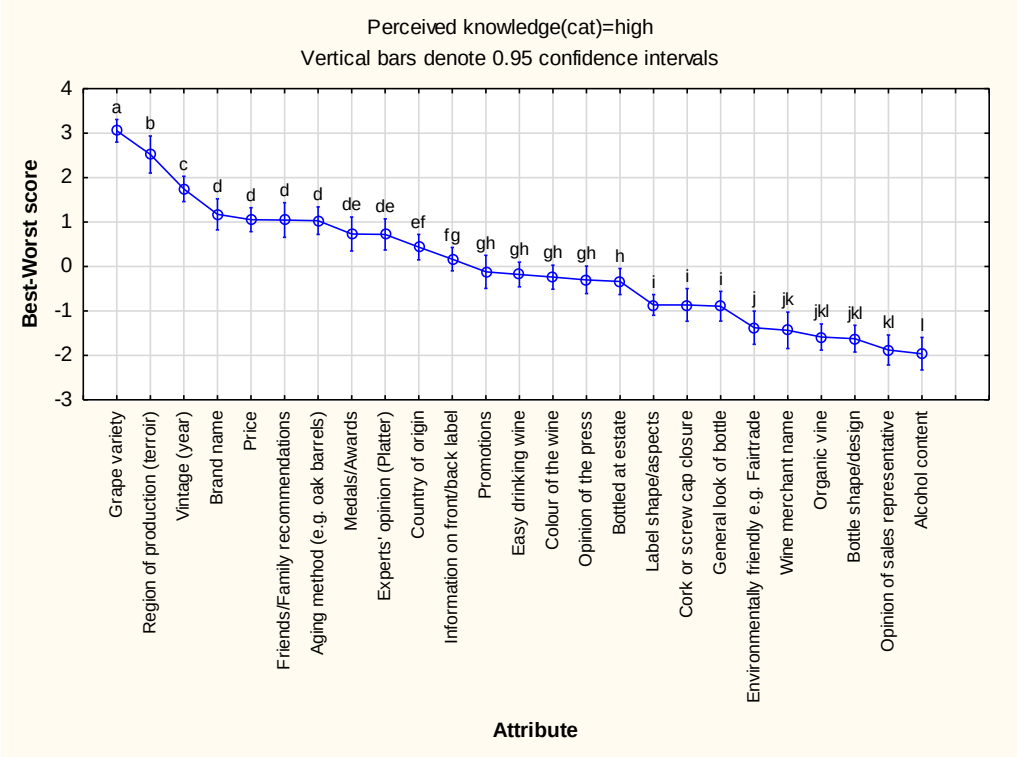

Figure 5.4: Significant differences between product attributes: High subjective product knowledge respondents

Based on Figures 5.2 to 5.4, consumers with different levels of subjective product knowledge consider different combinations of product attributes as important. However, the question remains; between which groups (pertaining to a specific product attribute) are the difference statistically significant?

5.4.1.3 Differences in importance of product attributes between low, moderate and high product knowledge groups

A two-way mixed model ANOVA was conducted to explore whether there were statistically significant differences between the importance of product attributes for consumers with low, moderate and high subjective product knowledge. Figure 5.5 displays the results on the two-way mixed model ANOVA analysis ($F=7.91$, $p<0.05$).

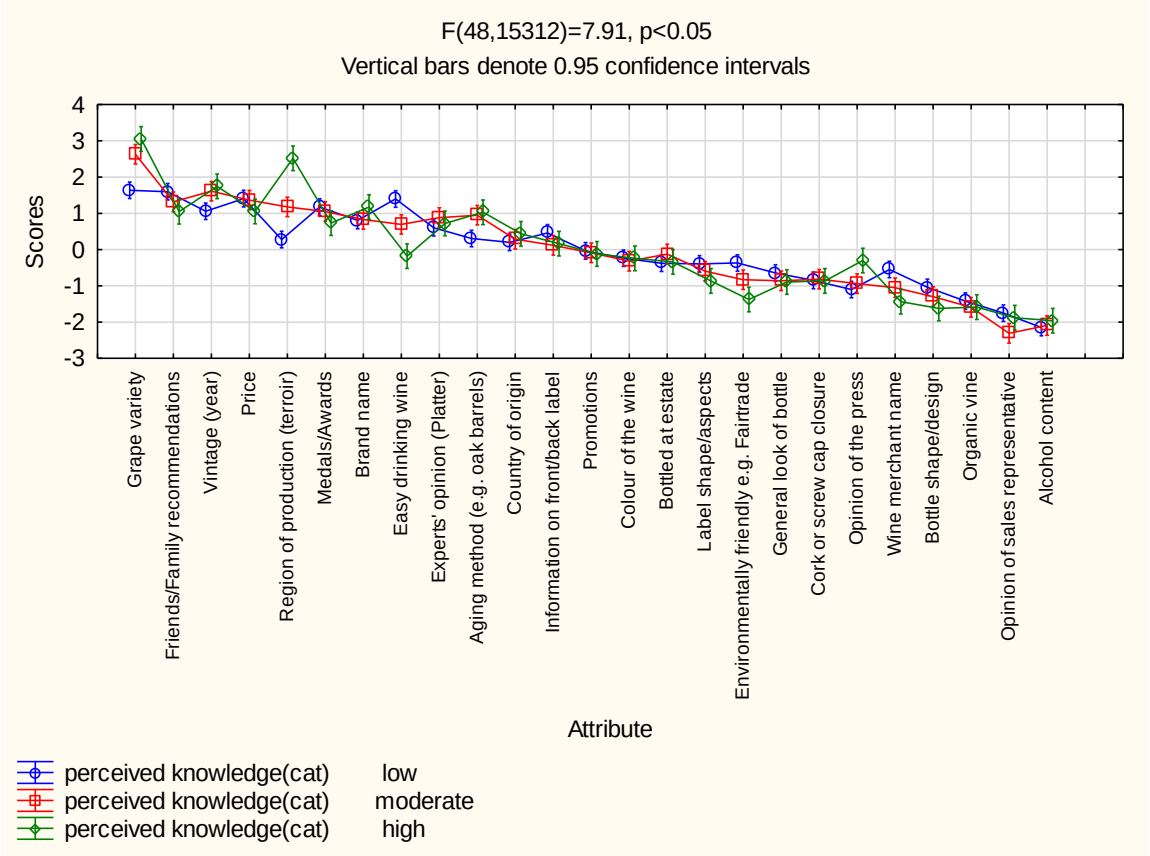

Figure 5.5: Two-way mixed model ANOVA results for subjective product knowledge

Grape variety and *region of production (terroir)* for example, were clearly considered to be more important by the high subjective product knowledge group than the other groups (moderate and high). However, the results on the other attributes reflect rather similar values as illustrated in Figure 5.5. The p-values for each attribute should consequently be investigated to investigate possible significant differences for attributes between groups.

Table 5.9 provides a summary of the findings from the BWS ranking (based on BWS means) and the between-group analysis p-value, to display significant differences for attributes between groups (low, moderate and high). The attributes that display significant differences among the groups are shaded in blue.

Table 5.9: Summary of subjective product knowledge: Levels, BWS importance ranking and significance between-groups

Attribute	Ranking (mean value) significant difference (* see note below for p- value indication)		
	Low (L)	Moderate (M)	High (H)
1 Grape variety	1 (1.64) [a]	1 (2.63) [b]	1 (3.05) [b]
2 Bottled at estate	16 (-0.38) [a]	14 (-0.12) [a]	16 (-0.34) [a]
3 Opinion of sales representative	24 (-1.75) [a]	25 (-2.31) [b]	24 (-1.88) [a]
4 Price	3 (1.41) [a]	3 (1.37) [a]	6 (1.05) [a]
5 Medals/Awards	5 (1.17) [a]	6 (1.05) [a]	8 (0.73) [a (M) / b (L)]
6 Colour of the wine	14 (-0.24) [a]	15 (-0.32) [a]	14 (-0.24) [a]
7 Country of origin	12 (0.20) [a]	11 (0.29) [a]	10 (0.44) [a]
8 Promotions	13 (-0.03) [a]	13 (-0.09) [a]	12 (-0.12) [a]
9 Friends/Family recommendations	2 (1.60) [a]	4 (1.32) [a]	5 (1.05) [a (M) / b (L)]
10 Region of production (terroir)	11 (0.28) [a]	5 (1.18) [b]	2 (2.52) [c]
11 Alcohol content	25 (-2.15) [a]	24 (-2.09) [a]	25 (-1.96) [a]
12 Organic vine	23 (-1.42) [a]	23 (-1.59) [a]	22 (-1.59) [a]
13 Bottle shape/design	21 (-1.04) [a]	22 (-1.30) [a]	23 (-1.62) [a (M) / b (L)]
14 Vintage (year)	6 (1.06) [a]	2 (1.61) [b]	3 (1.74) [b]
15 Wine merchant name	18 (-0.55) [a]	21 (-1.05) [b]	21 (-1.44) [b]
16 Easy drinking wine	4 (1.40) [a]	10 (0.69) [b]	13 (-0.18) [c]
17 Cork or screw cap closure	20 (-0.85) [a]	17 (-0.82) [a]	18 (-0.86) [a]
18 Label shape/aspects	17 (-0.39) [a]	16 (-0.60) [a]	17 (-0.86) [a (M) / b (L)]
19 Opinion of the press	22 (-1.10) [a]	20 (-0.94) [b]	15 (-0.30) [a]
20 Brand name	7 (0.80) [a]	9 (0.83) [a]	4 (1.17) [a]
21 Environmentally friendly e.g. Fairtrade	15 (-0.37) [a]	18 (-0.83) [b]	20 (-1.38) [c]
22 General look of bottle	19 (-0.64) [a]	19 (-0.86) [a]	19 (-0.89) [a]
23 Experts' opinion (Platter)	8 (0.60) [a]	8 (0.88) [a]	9 (0.72) [a]
24 Information on front/back label	9 (0.46) [a]	12 (0.12) [a]	11 (0.17) [a]
25 Aging method (e.g. oak barrels)	10 (0.31) [a]	7 (0.98) [b]	7 (1.03) [b]

Note: The letters ("a", "b", and "c") display statistical significant differences between groups (based on $p<0.05$) per attribute. The value "a" differs significantly from "b" and "c". For example, if all levels display an "a" no significant difference was found, such as alcohol content.

As displayed in Table 5.9, the attributes that differ significantly between low, moderate and high subjective product knowledge groups are: *grape variety*, *opinion of sales representative*, *medals/awards*, *friends/family recommendations*, *region of production (terroir)*, *bottle shape/design*, *vintage (year)*, *wine merchant name*, *easy drinking wine*, *label shape/aspects*, *opinion of the press*, *environmentally friendly*, and *aging method*. These attributes will be the starting point for discussion pertaining to different levels of

subjective product knowledge and the volume of wine purchased for own consumption.

***Grape variety**,* according to Lockshin (2003), is an intrinsic product attribute but is displayed on the packaging (hence, also demonstrates extrinsic qualities), to indicate the type and quality of the grapes used. It has been suggested that wine consumers with high subjective product knowledge levels regard *grape variety* as significantly more important when selecting a bottle of wine, than low subjective product knowledge consumers (Viot, 2012). For the sample of this study, *grape variety* was regarded as the most important product attribute irrespective of the level of subjective product knowledge (ranked first). However, the BWS mean values did increase from low to moderate (1.64 to 2.63) and from moderate to high (2.63 to 3.05) implying that as level of subjective knowledge increased, so did the importance of *grape variety*. The importance of the product attribute also differed significantly ($p<0.05$) between low and moderate as well as low and high groups, therefore providing some support for the findings by Viot (2012).

Consumers with high levels of subjective product knowledge seem to rely heavily on functional, intrinsic product attributes while low subjective product knowledge consumers rely more on extrinsic product attributes (such as colour, price and bottle design). Previous findings suggest that opinion-based information, particularly the **o*pinion of sales representative*** in-store, do not significantly influence consumers with high subjective product knowledge (Dodd *et al*., 2005; Ginon *et al*., 2014; Viot 2012). In this study it was found that even though there were significant differences between the importance of the product attribute for the three groups (low, moderate and high), none of the three groups considered *opinion of sales representative* as important (based on BWS mean value and ranking) when purchasing wine for own consumption.

The findings from this study suggest that ***medals/awards*** have an influence on wine purchase decision making, in particular for consumers with high subjective product knowledge. High subjective product knowledge consumers carry greater knowledge of the relevance and symbolism of these *medals/awards*, hence this attribute being of more importance during decision making for these consumers (Chrea *et al*., 2011).

Contradicting findings by Ginon *et al*. (2014) indicate that *medals/awards* were not salient in influencing decision making, irrespective of a consumer's subjective product knowledge levels. The study at hand partially support the findings of Chrea *et al*. (2011), as a significant difference in importance of *medals/awards* are reported between the low and high subjective product knowledge groups (when purchasing wine for own consumption). For low subjective product knowledge respondents it was found that *medals/awards* (based on the BWS mean value and ranking) are significantly more important when purchasing a bottle of wine for own consumption ($p<0.05$), than for high subjective product knowledge respondents. In summary, respondents with lower levels of subjective product knowledge find *award/medal* stickers on packaging a much more important variable when purchasing a bottle of wine for own consumption. Low knowledge consumers therefore seem to use the *award/medal* sticker as a cue to indicate which bottle of wine to purchase.

Dodd *et al*. (2005) reports that consumers with high subjective product knowledge show negative (little) interest in personal information sources, such as ***friends/family recommendations***. The study at hand supports this finding, as there is a significant difference in the importance of *friends/family recommendations* between low and high subjective product knowledge respondents, whereby high subjective product knowledge respondents regard the attribute as less important when purchasing wine for own consumption.

Chacarro *et al*. (2009) found that if a consumer's subjective knowledge increases, extrinsic product attributes such as *price* and ***region of production (terroir)*** becomes less important. These findings contradict in part the findings by Beneke (2010), Ginon *et al*. (2014) and Lockshin (2003) who consider *price* to be the most influential extrinsic product attribute during decision making, regardless of the level of subjective product knowledge. The results from the current study partially support the findings of Chacarro *et al*. (2009) in that *region of production (terroir)* becomes significantly more important as subjective product knowledge increases (from 0.28 BWS mean value for low subjective product knowledge respondents, to 1.18 for moderate, and 2.52 for high).

Viot (2012) suggested that *promotions*, ***shape and design of the bottle***, *general look of the bottle*, and *information on labels* were more important for low subjective knowledge consumers than high subjective knowledge consumers. The similarity between the findings for the study at hand and Viot's (2012) results are that low subjective knowledge respondents consider *bottle shape and size* (design) as significantly more important when purchasing wine for own consumption than high subjective knowledge respondents. Aside from *bottle shape and size (design)*, none of the other five product attributes identified by Viot (2012) were significantly important for high subjective product knowledge respondents for this study.

Vintage (year) and *price* were identified by Viot (2012) as the most important product attributes for low subjective product knowledge consumers. According to Sáenz-Navajas, Campo, Sutan, Ballester and Valentin (2013), *vintage (year)* is an important attribute for consumers interested in highly segmented (niche market) wines (such as Burgundy, which is perceived as the most terroir-conscious dry red wine in France); in other words consumers with high levels of subjective product knowledge. Similarly, the results for this study indicate that respondents with moderate and high subjective product knowledge levels perceive *vintage (year)* as significantly more important when purchasing wine for own consumption than low subjective knowledge respondents.

The ***wine merchant's name*** is not considered important by low or high subjective product knowledge consumers, according to Viot (2012). The current study showed some support for this finding as the BWS mean value and ranking of the attribute was low for each group (ranked 16th for low, 21st for moderate, and 21st for high subjective knowledge respondents). However, there were significant differences in importance between low and moderate, and low and high respondents – that suggests that respondents with low subjective product knowledge do consider the wine merchant's name to be significantly more important when purchasing wine for own consumption, than moderate and high subjective product knowledge respondents.

Interestingly, the findings for ***easy drinking wine*** proposed that, for this study, there were significant differences between the importance of the attribute for low, moderate and high subjective product knowledge respondents. In other words, low subjective product knowledge respondents considered the *ease of drinking the wine* significantly

more important (ranked 6th with a BWS mean value of 1.40) than moderate (ranked 10th with a BWS mean value of 0.69) respondents. Similarly, moderate level respondents considered the attribute significantly more important than high level (ranked 13th with a BWS mean value of -0.18) respondents. Lastly, low level respondents also considered the easy drinking product attribute significantly more important than high level respondents, when purchasing wine for own consumption. Lockshin (2003) proposed that some occasions may fit better with specific wines. For instance, an *easy drinking wine* may be more appropriate, or considered more, when purchasing wine for a casual event (these purchases are frequently linked to lower priced wines). However, the findings presented for the study at hand argue that, the level of importance of the *ease of drinking the wine* depends significantly on consumers' level of subjective product knowledge when purchasing wine for own consumption.

Based on the findings from the current study, ***label shape/aspects*** showed significant differences in importance for low and high subjective product knowledge respondents, when purchasing wine for own consumption. Barber *et al*. (2006) propose that consumers' experience, knowledge, self-confidence and the occasion for purchase interfaces with *label design (shape/aspects)*. For instance, wine knowledge may influence the importance of specific wine label design elements, such as the shape and aspects presented on the label (colour, amount of information). More specifically, for this study's sample, low subjective product knowledge respondents perceived *label shape/aspects* as significantly more important when purchasing wine for own consumption, than high level respondents. In this regard, Boudreaux and Palmer (2007) argue that wine marketers should focus on "modern" label *design shapes and aspects*. These "modern" designs are associated with newer, "fun" brands showing no prototypical layout, but still having a clean, modern visual typeface and style that matches the traditional design to some extent. On the contrary, it has been suggested that consumers (irrespective of subjective wine knowledge levels) prefer wines with a "classical" or more "traditional" approach to packaging and label design (Viot, 2012). Hence, insight into consumers' perceived importance of *label design (shape/aspects)* may provide a competitive advantage to brands pursuing a particular image.

As mentioned earlier, Dodd *et al*. (2005) as well as Barber and Almanza (2008) found that the use of information sources depend on the purchase situation and the nature of the product. Sachdeva (2015) supports this finding by indicating that consumers will use information, during decision making, as it appears convenient and relevant. For high subjective product knowledge consumers, a high interest toward impersonal sources (including the ***opinion of the press*** in printed or electronic format) have been reported (Dodd *et al*., 2005). The findings from the study at hand supports this outcome, as there was a significant difference in importance between high and moderate subjective product knowledge respondents for the consideration of the *opinion of the press* when purchasing wine for own consumption. Whereby, high level subjective product knowledge respondents consider the *opinion of the press* as significantly more important when purchasing wine for own consumption.

Some wine producers still find it challenging to decide if ***environmentally friendly*** wines should be produced, as no conclusive evidence has been presented whether these wines are economically beneficial to produce. Therefore, wine marketers have attempted to gain insight into how consumers perceive *environmentally friendly* wines (as an extrinsic product attribute), and how it influences purchase decisions (Ginon *et al*., 2014). In this regard, Forbes, Cohen, Cullen, Wratten and Fountain (2009) suggest that consumers (New Zealand, New World wine country, sample) show a strong interest and demand for wines produced using *environmentally friendly* or “green” practices. Pertaining to subjective product knowledge, consumers with both low and high levels of subjective product knowledge agreed that the *environmentally friendly* wine product attribute is not of significant importance when purchasing wine (Viot, 2012). Similar to the findings of Viot’s (2012) study, significant differences between the importance of the attribute for low, moderate and high subjective product knowledge respondents were found for this study. Consequently, low level respondents (ranked 15th with a BWS mean value of -0.37) considered the attribute, *environmentally friendly*, significantly more important than moderate (ranked 18th with a BWS mean value of -0.83) and high (ranked 20th with a BWS mean value of -1.38) level respondents. Moderate subjective product knowledge level respondents considered the attribute significantly more important when purchasing wine for own consumption, than high level subjective product knowledge respondents.

The findings presented in this study indicate that there are significant differences in importance when considering ***aging methods*** between low, moderate and high subjective product knowledge respondents. In particular, moderate and high level respondents considered the *aging methods* significantly more important when purchasing wine for own consumption, than low level respondents. These findings show some support for the findings of Aurier and N'Gobo (1999), who suggests that expert (high subjective product knowledge) consumers consider the *aging method* as an important product attribute when purchasing wine.

Thus, based on the results, consumers with different levels of subjective product knowledge do not consider similar combinations of product attributes as important when purchasing wine for own consumption – hence, H_{01} is supported. This hypothesis can be supported even though all three subjective product knowledge level groups (high, moderate and low) considered *grape variety* as the most important product attribute, as the *combinations* of product attributes considered differed for each group.

5.4.1.4 Importance of product attributes and levels of product involvement

The following section will present the results for product involvement, to determine the importance of product attributes for different levels of product involvement. The BWS scores for respondents with low levels of product involvement (total score of 0% - 33%) are presented in Table 5.10. The highest score (+1.58) was for *friends/family recommendations* closely followed by *grape variety* (+1.57), while the lowest scores were for *opinion of sales representative* (-1.71) and *alcohol content* (-1.19).

Table 5.10: Low product involvement – Ranking of importance of product attributes

Ranked	Attribute	Mean of individual BWS score	Standard deviation of BWS
1	Friends/Family recommendations	1.58	2.06
2	Grape variety	1.57	2.19
3	Price	1.44	1.57
4	Easy drinking wine	1.35	1.82
5	Medals/Awards	1.12	2.02

Ranked	Attribute	Mean of individual BWS score	Standard deviation of BWS
6	Brand name	1.06	2.03
7	Vintage (year)	1.01	1.88
8	Experts' opinion (Platter)	0.67	1.85
9	Region of production (terroir)	0.53	2.48
10	Information on front/back label	0.40	1.58
11	Aging method (e.g. oak barrels)	0.24	2.09
12	Country of origin	0.14	1.72
13	Promotions	-0.14	2.36
14	Bottled at estate	-0.22	1.90
15	Colour of the wine	-0.35	2.02
16	Label shape/aspects	-0.48	1.45
17	Environmentally friendly e.g. Fairtrade	-0.48	2.69
18	Cork or screw cap closure	-0.72	2.08
19	Wine merchant name	-0.74	2.47
20	General look of bottle	-0.79	2.02
21	Opinion of the press	-1.00	1.71
22	Bottle shape/design	-1.17	2.14
23	Organic vine	-1.40	1.91
24	Opinion of sales representative	-1.71	1.95
25	Alcohol content	-1.91	2.39

The BWS scores for respondents with moderate levels of product involvement (total score of 34% - 66%) are presented in Table 5.11. The highest scores for respondents with moderate levels of product involvement were for *grape variety* (+2.30) and *vintage (year)* (+1.43), while the lowest scores were for *alcohol content* (-2.06) and *opinion of sales representative* (-2.18).

Table 5.11: Moderate product involvement – Ranking of importance of importance of product attributes

Ranked	Attribute	Mean of individual BWS score	Standard deviation of BWS
1	Grape variety	2.30	1.98
2	Vintage (year)	1.43	1.83
3	Friends/Family recommendations	1.41	2.30
4	Price	1.35	1.45
5	Region of production (terroir)	1.08	2.48
6	Medals/Awards	1.02	2.08
7	Easy drinking wine	0.82	1.77

Ranked	Attribute	Mean of individual BWS score	Standard deviation of BWS
8	Brand name	0.80	2.09
9	Aging method (e.g. oak barrels)	0.77	1.98
10	Experts' opinion (Platter)	0.62	2.04
11	Country of origin	0.27	1.66
12	Information on front/back label	0.17	1.65
13	Colour of the wine	-0.11	1.85
14	Bottled at estate	-0.11	1.75
15	Promotions	-0.17	2.39
16	Label shape/aspects	-0.56	1.49
17	General look of bottle	-0.56	2.08
18	Environmentally friendly e.g. Fairtrade	-0.82	2.66
19	Cork or screw cap closure	-0.83	2.36
20	Wine merchant name	-0.97	2.50
21	Opinion of the press	-0.98	1.74
22	Bottle shape/design	-1.21	2.07
23	Organic vine	-1.48	1.95
24	Alcohol content	-2.06	2.43
25	Opinion of sales representative	-2.18	1.87

Table 5.12 presents the BWS scores for respondents with high product involvement (total score of 67% - 100%). Like moderate product involvement respondents, high product involvement respondents consider *grape variety* (+2.86) and *vintage (year)* (+1.68) as the most important attributes, while *opinion of sales representative* (-2.08) and *alcohol content* (-2.29) were considered to be the least important attributes.

Table 5.12: High product involvement – Ranking of importance of product attributes

Ranked	Attribute	Mean of individual BWS score	Standard deviation of BWS
1	Grape variety	2.86	1.69
2	Vintage (year)	1.68	1.76
3	Region of production (terroir)	1.55	2.57
4	Price	1.19	1.53
5	Friends/Family recommendations	1.16	2.13
6	Medals/Awards	0.99	2.16
7	Aging method (e.g. oak barrels)	0.96	1.88
8	Experts' opinion (Platter)	0.89	1.84
9	Brand name	0.83	1.98

Ranked	Attribute	Mean of individual BWS score	Standard deviation of BWS
10	Country of origin	0.44	1.69
11	Easy drinking wine	0.42	1.81
12	Information on front/back label	0.25	1.46
13	Promotions	-0.04	2.35
14	Colour of the wine	-0.31	1.71
15	Bottled at estate	-0.48	1.82
16	Label shape/aspects	-0.65	1.42
17	Opinion of the press	-0.70	1.75
18	Environmentally friendly e.g. Fairtrade	-0.84	2.50
19	General look of bottle	-0.89	2.08
20	Cork or screw cap closure	-0.97	2.21
21	Wine merchant name	-1.01	2.50
22	Bottle shape/design	-1.35	1.79
23	Organic vine	-1.61	1.84
24	Opinion of sales representative	-2.08	1.87
25	Alcohol content	-2.29	2.29

A one-way ANOVA was conducted to determine whether there was a statistically significant difference in product attributes considered as important within these groups of respondents (low, moderate and high product involvement). Results indicated a statistically significant difference ($p<0.05$) between respondents with low ($F=52.85$, $p=0.00$), moderate ($F=57.56$, $p=0.00$) and high ($F=92.03$, $p=0.00$) product involvement. Fisher's LSD post-hoc test was conducted to determine between which groups and on what product attributes (within groups) the significant differences were evident. These results will be discussed in the following section.

5.4.1.5 Importance of product attributes within groups for level of involvement

Fisher's LSD post-hoc test results for low product involvement (Figure 5.6) revealed no statistical significant differences between the attribute group *family/friends recommendations*, *grape variety*, *price* and *easy drinking wine* (the letter "a" is indicated in all these variables). Yet, there is a statistical significant difference between *friends/family recommendations* and *medals/awards* and all the other variables listed

to the right of *medals/awards* (no “a” value is indicated for *medals/awards* and the remainder of the variables).

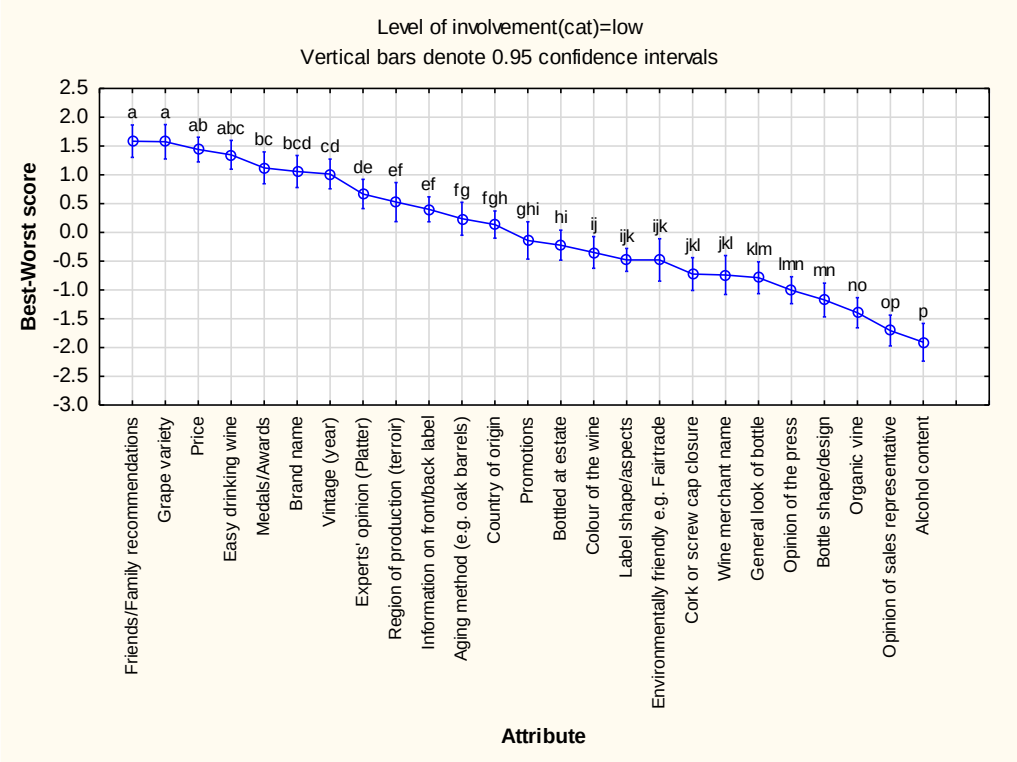

Figure 5.6: Significant differences between product attributes: Low product involvement respondents

Figure 5.7 displays the results for the Fisher’s LSD post-hoc test for moderate product involvement, revealing a statistically significant difference between *grape variety* and the other product attributes (no “a” value is indicated for the variables to the right of *grape variety*). No significant differences were revealed between *vintage (year)*, *friends/family recommendations*, *price*, *region of production* and *medals/awards* (the letter “b” is indicated in all the variables).

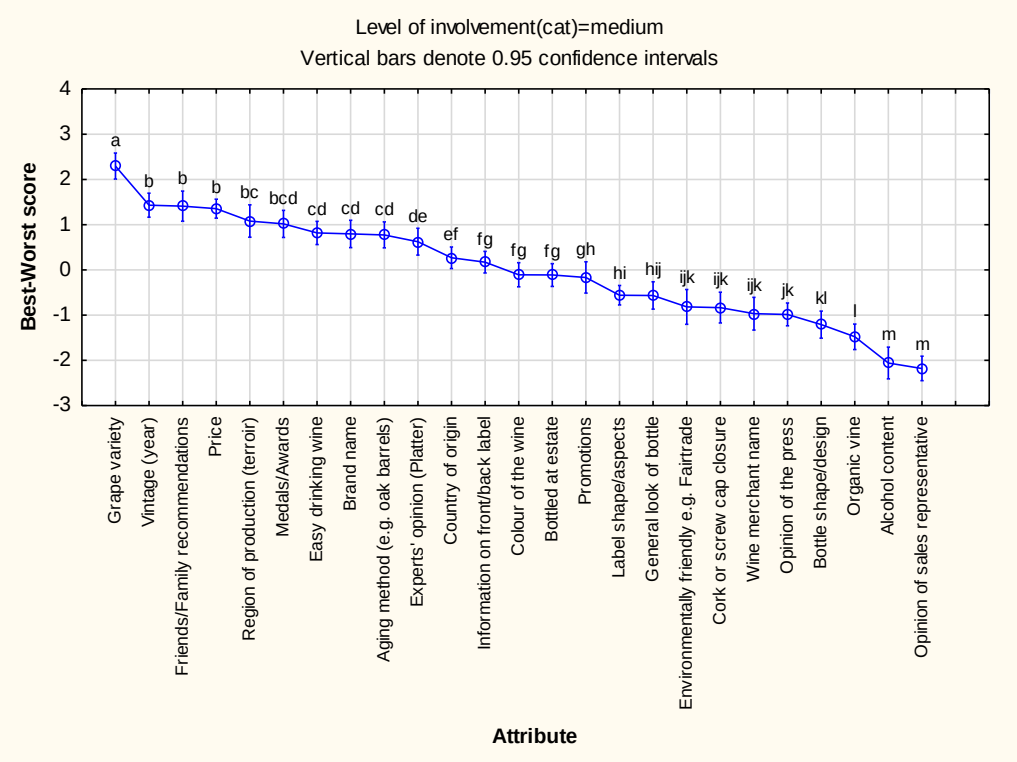

Figure 5.7: Significant differences between product attributes: Moderate product involvement respondents

In Figure 5.8 the Fisher's LSD test reveals statistically significant differences between *grape variety* and the other product attributes listed to the right of grape variety (hence, from vintage (year) to opinion of sales representatives) for moderate level of product involvement respondents (no "a" value is indicated for the variables to the right of *grape variety*). No significant differences were revealed between *vintage (terroir)* and *region of production* (a "b" value is indicated for the variables). Similarly, no significant differences were revealed between *region of production* and *price* (a "c" value is indicated for the variables).

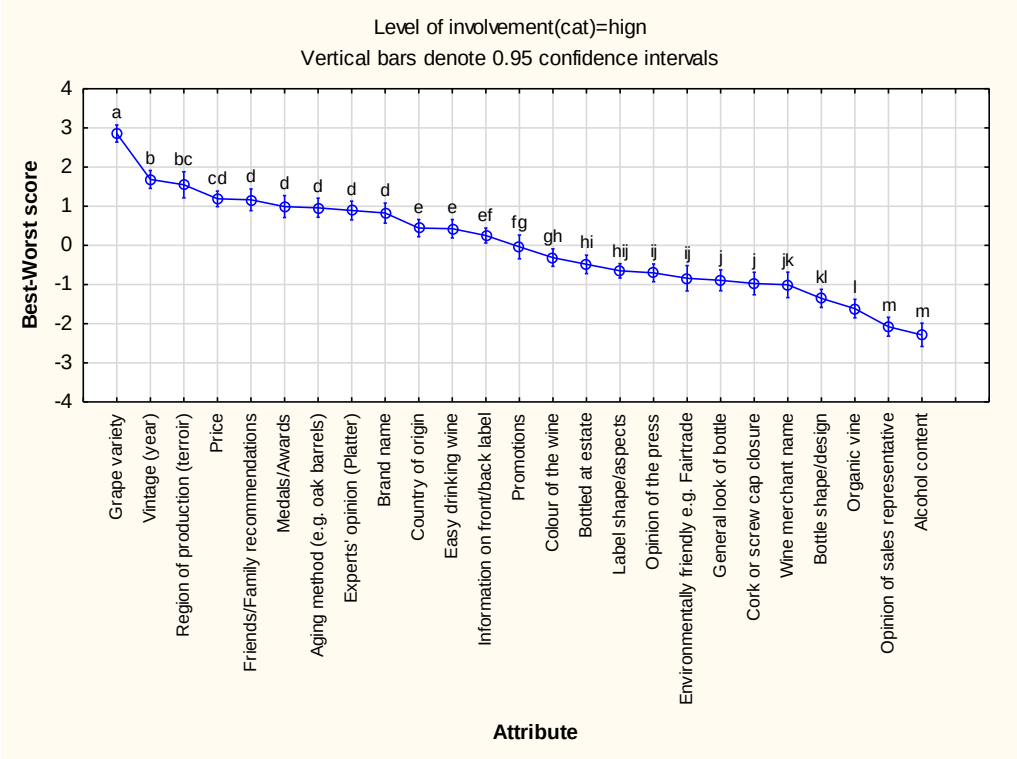

Figure 5.8: Significant differences between product attributes: High product involvement respondents

The findings from Figures 5.6 to 5.8 suggested that consumers with different levels of product involvement consider different combinations of product attributes as important. However, the question remains; between which groups (pertaining to a specific product attribute) are the difference statistically significant?

5.4.1.6 Differences in importance of product attributes between low and high levels of involvement

To explore whether there were statistical differences between the importance of product attributes considered by low, moderate and high product involvement respondents, a two-way mixed model ANOVA was conducted. Figure 5.9 displays the results on the two-way mixed model ANOVA analysis ($F=7.91$, $p<0.05$).

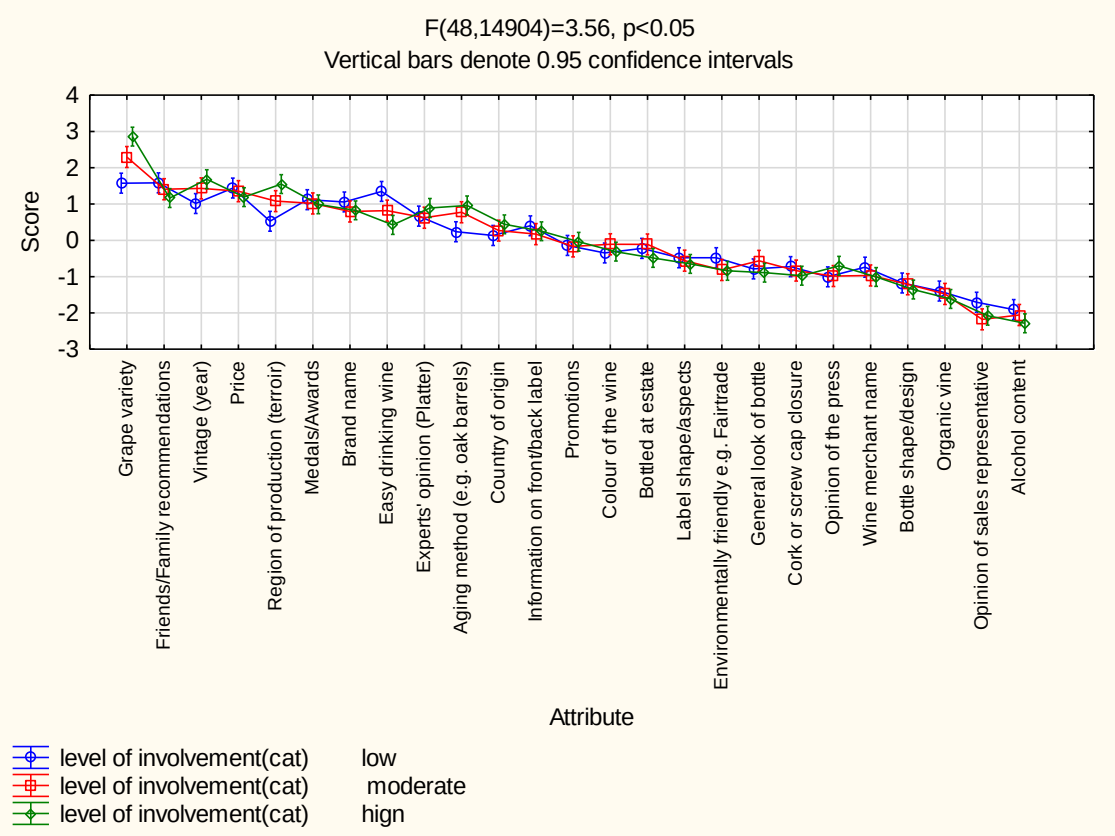

Figure 5.9: Two-way mixed model ANOVA results for level of product involvement

The findings in Figure 5.9, for instance suggests that high product involvement respondents clearly find *grape variety* more important than the other groups (low and moderate), however the remaining product attribute results reflect rather similar in Figure 5.9. Therefore, the p-value for each attribute should be investigated allowing the researcher to determine the significant differences for attributes between groups. As a result, a summary of the findings from the BWS ranking (based on BWS means) and the between-group analysis p-value to display significant differences for attributes between groups (low, moderate and high), are displayed in Table 5.13. This table will aid in summarising the findings from Figure 5.9 and the previous sections on attributes' importance for levels of product involvement. The attributes that display significant differences among the groups are shaded in blue.

Table 5.13: Summary of level of product involvement: Levels, BWS importance ranking and significance between-groups

Attribute	Importance ranking (mean value) significant difference (* see note below for p-value indicated)		
	Low (L)	**Moderate (M)**	**High (H)**
1 Grape variety	2 (1.57) [a]	1 (2.30) [b]	1 (2.86) [c]
2 Bottled at estate	14 (-0.22) [a]	14 (-0.11) [a]	15 (-0.48) [a]
3 Opinion of sales representative	24 (-1.71) [a]	25 (-2.18) [b]	24 (-2.08) [b]
4 Price	3 (1.44) [a]	4 (1.35) [a]	4 (1.19) [a]
5 Medals/Awards	5 (1.12) [a]	6 (1.02) [a]	6 (0.99) [a]
6 Colour of the wine	15 (-0.35) [a]	13 (-0.11) [a]	14 (-0.31) [a]
7 Country of origin	12 (0.14) [a]	11 (0.27) [a]	10 (0.44) [a]
8 Promotions	13 (-0.14) [a]	15 (-0.17) [a]	13 (-0.04) [a]
9 Friends/Family recommendations	1 (1.58) [a]	3 (1.41) [a]	5 (1.16) [a (M) / b (L)]
10 Region of production (terroir)	9 (0.53) [a]	5 (1.08) [b]	3 (1.55) [c]
11 Alcohol content	25 (-1.91) [a]	24 (-2.06) [a]	25 (-2.29) [a (M) / b (L)]
12 Organic vine	23 (-1.40) [a]	23 (-1.48) [a]	23 (-1.61) [a]
13 Bottle shape/design	22 (-1.17) [a]	22 (-1.21) [a]	22 (-1.35) [a]
14 Vintage (year)	7 (1.01) [a]	2 (1.43) [b]	2 (1.68) [b]
15 Wine merchant name	19 (-0.74) [a]	20 (-0.97) [a]	21 (-1.01) [a]
16 Easy drinking wine	4 (1.35) [a]	7 (0.82) [b]	11 (0.42) [c]
17 Cork or screw cap closure	18 (-0.72) [a]	19 (-0.83) [a]	20 (-0.97) [a]
18 Label shape/aspects	16 (-0.48) [a]	16 (-0.56) [a]	16 (-0.65) [a]
19 Opinion of the press	21 (-1.00) [a]	21 (-0.98) [a]	17 (-0.70) [a]
20 Brand name	6 (1.06) [a]	8 (0.80) [a]	9 (0.83) [a]
21 Environmentally friendly e.g. Fairtrade	17 (-0.48) [a]	18 (-0.82) [a]	18 (-0.84) [a]
22 General look of bottle	20 (-0.79) [a]	18 (-0.82) [a]	19 (-0.89) [a]
23 Experts' opinion (Platter)	8 (0.67) [a]	10 (0.62) [a]	8 (0.89) [a]
24 Information on front/back label	10 (0.40) [a]	12 (0.17) [a]	12 (0.25) [a]
25 Aging method (e.g. oak barrels)	11 (0.24) [a]	9 (0.77) [b]	7 (0.96) [b]

*** *Note:*** The letters (“a”, “b”, and “c”) display statistical significant differences between groups (based on $p<0.05$) per attribute. The value “a” differs significantly from “b” and “c”. For example, if all levels display an “a” no significant difference was found, such as bottled at estate.

Based on the findings presented in Table 5.13, the attributes that displayed significant differences between groups (low, moderate and high) for level of involvement respondents were: *grape variety*, *opinion of sales representative*, *friends/family recommendations*, *region of production (terroir)*, *alcohol content*, *vintage (year)*, *easy*

drinking wine, and *aging method*. These attributes will be central to the discussions pertaining to different levels of product involvement and wine purchase for own consumption.

Numerous scientific publications investigated the use of product attributes for different *levels of product involvement* (Aurifeille *et al*., 2002; Bruwer & Haung, 2012; Hollebeek *et al*., 2007; Lockshin *et al*., 2001; Lockshin & Spawton, 2001). In brief, the findings by previous research suggest that *price*, *awards*, and *brand name* are important product attributes for consumers with low involvement levels, whereas *country of origin* and *grape variety* are important product attributes for high level product involvement consumers. Limited support was found in the current study for these findings reported in literature, however there were significant differences in importance between low, moderate and high product involvement respondents based on ***grape variety***. In other words, moderate (ranked first with a BWS mean value of 2.30) and high (ranked first with a BWS mean value of 2.86) level respondents considered *grape variety* as significantly ($p<0.05$) more important than low product involvement respondents (ranked second with a BWS mean value of 1.57) when purchasing wine for own consumption. Furthermore, a significant difference in importance between moderate and high product involvement respondents were found ($p<0.05$). The findings from this study partly support the findings from Bruwer and Haung (2012), who suggests that consumers with higher levels of product involvement consider *grape variety* more important than other wine product attributes.

According to Bruwer, Burrows, Chaumont, Li and Saliba (2014), high involvement consumers are inclined to use more impersonal sources (such as newspapers, magazines, the Internet and wine books) when making a wine purchase decision. While Bruwer *et al*. (2014) proclaims that some personal sources of information, in particular word-of-mouth (between consumers, as well as between consumers and sales representatives), contribute significantly to a consumers' purchase decision, irrespective of the level of involvement (low or high). With regards to ***opinion of sales representative*** (personal information source), even though significant differences ($p<0.05$) in the importance of the attribute between low, moderate and high level involvement respondents were found in the study at hand, none of the groups regarded this attribute as important based on the BWS mean value ranking (ranked

24th for low and high level respondents, and 25th for moderate level respondents) when purchasing wine for own consumption. On the contrary, ***friends/family recommendations*** (personal source of information) were significantly more important for low product involvement respondents than for high product involvement respondents. Wine consumers with low product involvement, in other words consumers who display a low personal relevance to the product/purchase decision, are considered to have lower levels of experience and knowledge, therefore the reliance on trusted (personal) opinions are greater (Bruwer & Reilly, 2006; Bruwer *et al*., 2014).

It has been suggested that moderate and high involvement wine consumers in particular, use more information during decision making than low involvement wine consumers. According to Lockshin *et al*. (2006), one source of information that is of particular importance to moderate and high level product involvement wine consumers is ***region of production (terroir)***. These authors also suggest that this product attribute (usually displayed on the packaging as an extrinsic attribute) infers quality, production methods and standards; therefore it is to be expected that consumers with higher levels of involvement may pay more attention to *region of production (terroir)* during purchase decision making. This may be due to consumers' personal relevance or interest in wines that extend into a greater interest in region of production (terroir) whereby quality and high standards may be associated with certain regions (for instance, Bordoux wine region in France known for its Merlot (Patterson, 2008). The study at hand reported that low, moderate and high product involvement respondents displayed significant differences ($p<0.05$) toward the importance of *region of production (terroir)* during purchase decision making. Subsequently, as expected, as respondents' level of product involvement increased, so too did the importance (based on BWS mean value ranking) of region of production (terroir) when purchasing wine for own consumption.

Even though the results for this study indicated that there were significant differences ($p<0.05$) between the importance of the ***alcohol content*** product attribute for low and high product involvement level respondents, the attribute did not rank (based on the BWS mean value) highly for any of the involvement levels. As mentioned earlier, Lockshin (2003) suggested that some wine consumers may consider the *alcohol*

content percentage when selecting a bottle of wine, as this percentage may influence the flavour and balance of the wine. In this regard, it was expected that consumers with high levels of product involvement would display a greater interest in *alcohol content* percentage when purchasing wine. However, the findings from the current study contradict the results of Lockshin (2003). The alcohol content of a wine is known to influence the sweetness and taste of the wine. According to Jordão, Vilela and Cosme (2015), consumers are aware that wines with high alcohol content may result in a gustatory disequilibrium that may affect the sensory perceptions and ultimately lead to an unbalanced wine. Therefore, the result for the study at hand is somewhat contradicting - as high involvement consumers should therefore consider alcohol content as an important product attribute as it may affect the balance of the wine. This finding should therefore be investigated in greater detail in future research to explain the phenomenon.

As part of the information provided on wine packaging, ***vintage (year)*** is considered as a product attribute that influences wine purchase decision making significantly (Barber *et al*., 2006). In this study it was found that there were significant differences in importance between low, moderate and high involvement respondents. Whereby, *vintage (year)* was significantly more important for moderate and high product involvement respondents than for low level respondents. According to Charters and Pettigrew (2006), low involvement consumers are more concerned with the quality of the wine bottle per bottle, while high involvement consumers pay more attention to the quality of the wine from vintage to vintage. This finding by Charters and Pettigrew (2006) corresponds with the findings of the study at hand, as moderate and high involvement respondents consider *vintage (year)* to be significantly more important than low involvement respondents when purchasing wine for own consumption.

Mtimet and Albisu (2006) report that a purchase occasion evokes a specific situational involvement whereby the occasion and the product type will influence the level of involvement and consideration of product attributes during purchase decision making. As mentioned earlier, ***easy drinking wines*** are frequently associated with a casual occasion or event, which in-turn induces low involvement levels during decision making. Similarly, the findings from this study suggested that there are significant differences between the importance for low, moderate and high involvement

respondents pertaining to the *easy drinking wine* product attribute. Hence, low (ranked 4th with a BWS mean value of 1.35) involvement respondents considered *easy drinking wine* significantly ($p<0.05$) more important than moderate (ranked 7th with a BWS mean value of 0.82) and high (ranked eleventh with a BWS mean value of 0.42) involvement respondents when purchasing wine for own consumption. Furthermore, moderately involved respondents also considered the *easy drinking wine* product attribute as significantly more important when purchasing wine for own consumption, than high involvement respondents.

Wine selection is influenced by ***aging methods***, in particular for consumers with high product knowledge and involvement levels, as this product attribute is a quality indicator to many experienced (high subjective product knowledge and high product involvement) wine consumers (Barber et al., 2007; Mtimet & Albisu, 2006; Viot, 2012). Williams (2003) proposed that the occasion the wine is bought for significantly influences the level of personal relevance, whereby when purchasing wine for own consumptions respondents may not pay as much attention to “sophisticated” product attributes (such as *aging methods*). However, the findings from this study contradict that of Williams (2003) in that, for this sample, respondents with moderate and high levels of product involvement considered *aging methods* significantly more important when purchasing wine for own consumption, than low product involvement respondents.

Similar to the findings presented on subjective product knowledge, *grape variety* remained the most important product attribute for moderate and high levels of product involvement respondents, while the product attribute *friends/family recommendations* was significantly more important to low product involvement respondents. Therefore, the results indicated that H_{03} can be supported even though *grape variety* was the most important product attribute for moderate and high levels of product involvement. The combinations of product attributes considered for each level of product involvement were different, in other words different levels of product involvement respondents did not consider similar *combinations* of product attributes as important when purchasing wine for own consumption.

5.4.2 Results and discussion of primary objective

Does different levels of subjective product knowledge and product involvement influence the volume of South African (New World) wine purchased per month for own consumption? To answer this question is important for the South African wine industry, in particular when developing marketing strategies to maintain and grow the market segment. As such, the following sections will discuss the results pertaining to the volume of South African (New World) wine purchased per month for own consumption and whether the volume varies between consumers with different levels of subjective product knowledge and product involvement.

5.4.2.1 Differences between levels of subjective product knowledge and the volume of wine purchased for own consumption

A one-way ANOVA was conducted to test H_{04}, as this analysis allows the researcher to determine whether there are significant differences between the means of the three independent groups (Tabachnick & Fidell, 2014:37) of consumers based on subjective product knowledge levels namely: low (novice), moderate and high (expert). The descriptive statistics and results from the one-way ANOVA to test the H_{04} hypothesis are shown in the Table 5.14 and Figure 5.10.

Table 5.14: Differences between levels of subjective product knowledge and volume of wine purchased per month for own consumption

Effect	Level of factor	N	Perceived knowledge				
			Mean	Std.Dev.	Std.Err.	95% Confidence Interval for mean	
Total		641	2,27	0,55	0,02	2,23	2,32
Vol of wine purchased	1 - 5 bottles	299	2,05	0,54	0,03	1,99	2,11
Vol of wine purchased	6 - 10 bottles	195	2,40	0,49	0,04	2,33	2,47
Vol of wine purchased	More than 10 bottles	147	2,56	0,42	0,03	2,50	2,63

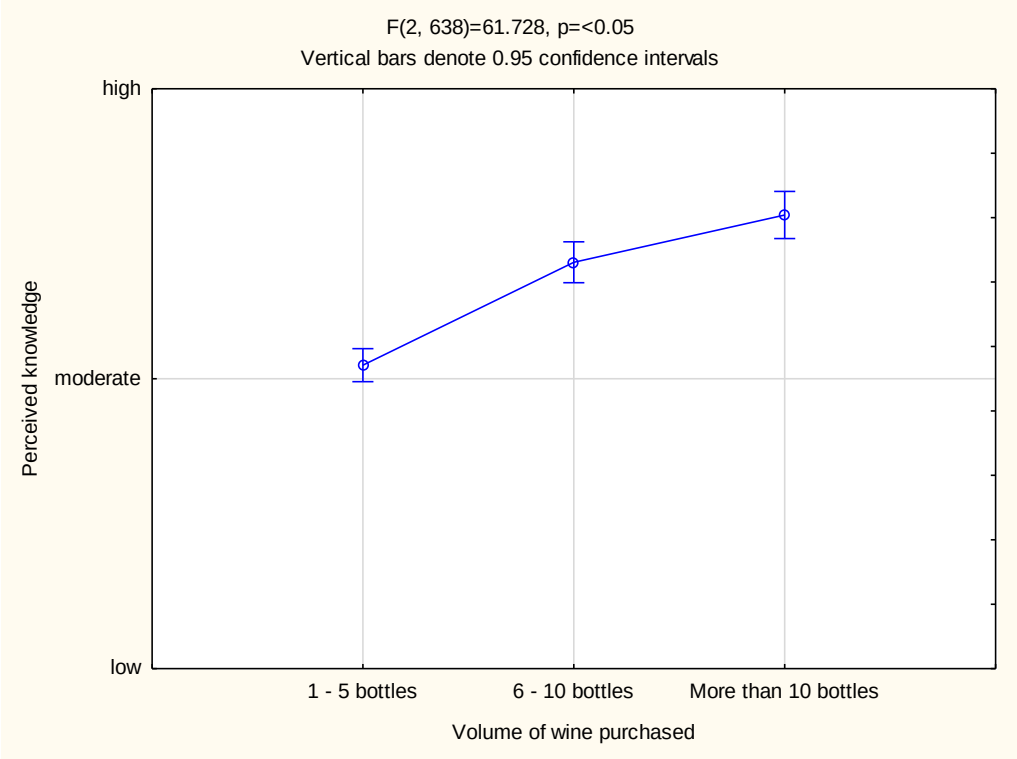

Figure 5.10: Results for the one-way ANOVA: Differences between levels of subjective product knowledge and volume of wine purchased for own consumption

The p-value ($p<0.05$) for the one-way ANOVA is smaller than 0.05, therefore H_{04} can be supported. In other words, there was a statistically significant difference between volume of wine purchased for own consumption between respondents with different levels of subjective product knowledge. This finding supports that of Chocarro *et al.* (2009), who reports that subjective product knowledge levels influence purchase behaviour. In general, this study revealed that consumers with higher levels of subjective product knowledge purchase significantly more wine than consumers with low levels of subjective knowledge.

5.4.2.2 Differences between levels of product involvement and the volume of wine purchased for own consumption

The descriptive statistics and results from the one-way ANOVA to test hypothesis H_{06} are shown in the Table 5.15 and Figure 5.11.

Table 5.15: Differences between levels of product involvement and volume of wine purchased per month for own consumption

Effect	Level of Factor	N	Level of product involvement				
			Mean	Std.Dev.	Std.Err.	95% Confidence Interval for mean	
Total		624	5,89	0,99	0,04	5,82	5,97
Vol of wine purchased	1 - 5 bottles	292	5,45	1,10	0,06	5,32	5,57
Vol of wine purchased	6 - 10 bottles	187	6,18	0,67	0,05	6,08	6,27
Vol of wine purchased	More than 10 bottles	145	6,43	0,63	0,05	6,32	6,53

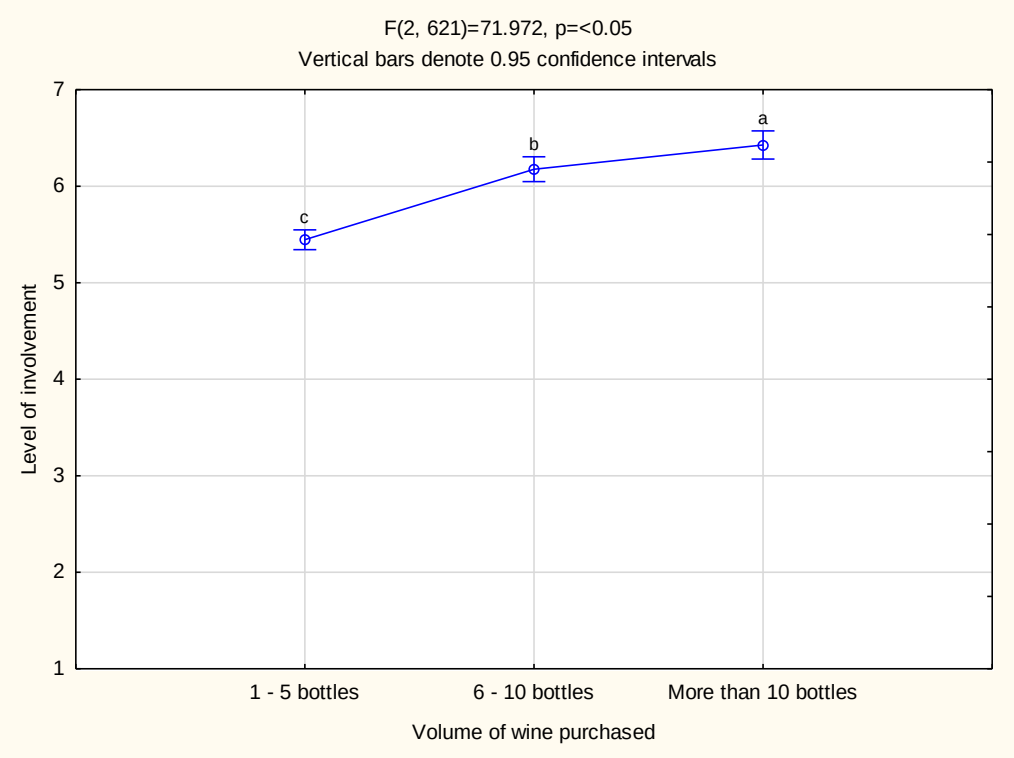

Figure 5.11: Differences between levels of product involvement and volume of wine purchased for own consumption

H_{06} can be supported as the p-value ($p<0.05$) for the one-way ANOVA is smaller than 0.05. This finding suggested that there was a statistically significant difference between levels of product involvement and the volume of wine purchased for own consumption. Consequently it can be suggested that the higher the level of product involvement, the higher the volume of wine purchased for own consumption. These findings supported the findings reported by Dodd *et al.* (2005) and Hollebeek *et al.* (2007), who suggested that level of product involvement has an influence on wine purchase behaviour (volume purchased for own consumption).

5.5 SUMMARY OF FINDINGS

The conclusion can therefore be made that the respondents of this study considered unique combinations of product attributes as important when purchasing a bottle of wine for own consumption, for different levels (low, moderate, and high) of subjective product knowledge and product involvement. Additionally, it was found that different levels of subjective product knowledge and product involvement (low, moderate and high) influence consumers' volume of wine purchased for own consumption. Table 5.16 provides a summary of the hypotheses and outcomes of their empirical assessments.

Table 5.16: Summary of hypotheses tested

Hypothesis	Result
H_{01}: Consumers with different levels of subjective product knowledge do not consider similar combinations of product attributes as important when purchasing South African (New World) wine for own consumption.	Supported
H_{02}: Consumers with different levels of perceived risk levels do not consider similar combinations of product attributes as important when purchasing South African (New World) wine for own consumption.	N/A
H_{03}: Consumers with different levels of product involvement do not consider similar combinations of product attributes as important when purchasing South African (New World) wine for own consumption.	Supported
H_{04} : There is no difference between high, moderate, and low levels of subjective product knowledge and the volume of South African (New World) wine purchased for own consumption.	Supported
H_{05} : There no a difference between high, moderate, and low levels of perceived risk and the volume of South African (New World) wine purchased for own consumption.	N/A
H_{06} : There no a difference between high, moderate, and low level of product involvement and the volume of South African (New World) wine purchased for own consumption.	Supported

5.6 CONCLUSION

This chapter presented and discussed the empirical results for this study. The first section of the chapter reported the findings from the face validity and reliability analysis

of the measurement instrument. The scales used in the measurement instrument showed acceptable reliability for subjective product knowledge and level of product involvement, whereas the perceived risk scale indicated low reliability. Therefore, it was decided not to report and discuss the findings on the perceived risk hypotheses (H_{02} and H_{05}). Additionally, an exploratory factor analysis (EFA) was conducted for the perceived risk scale to shed further light on the measurement instrument. The results of the EFA indicated that five factors were evident for the dataset; contradicting Bruwer *et al*.'s (2013) suggestion of six perceived risk factors (dimensions of perceived risk), and a tentative re-assignment of statements were proposed based on the five factors extracted.

A summary of the findings from the screening and demographic sections of the questionnaire were presented to generated profile of the sample of respondents. Some concerns pertaining to the under representation of certain groups of the South African population in the study's sample, in terms of geographical coverage and income distribution, were noted (to be addressed in Chapter 6).

The secondary and primary objectives were posed and results pertaining to each objective were presented. Firstly, an overview of the results for H_{01} and H_{03} (which relate to the secondary objective) were provided. Thereafter the hypotheses for the primary objective (H_{04} and H_{06}) were addressed and the results were discussed. Ultimately, H_{01} was supported indicating that consumers with different levels of subjective product knowledge do not consider similar combinations of product attributes as important when purchasing wine for own consumption. Similarly, H_{03} was also supported showing that consumers with different levels of product involvement do not consider similar product attributes as important when purchasing wine for own consumption. With respect to the primary objective both H_{04} and H_{06} were supported indicating that there is no difference between high, moderate and low subjective product knowledge and product involvement consumers irrespectively, and the volume of wine purchased for own consumption.

The concluding section of the chapter gave a summary of the hypotheses tested and the outcomes of their empirical assessments. The sixth and final chapter will discuss the conclusions and recommendations that can be applied within the wine industry.

CHAPTER 6
CONCLUSIONS, IMPLICATIONS AND RECOMMENDATIONS

6.1 INTRODUCTION

Since the early 2000's some significant social, political and environmental changes have been evident in the international and South African wine market that may influence consumers' purchase behaviour (SAWIS VinIntell, 2012; SAWIS VinIntell, 2012; SAWIS VinIntell, 2012; SAWIS VinIntell 2013). Consequently, marketers are faced with the challenge to gain insight into changing consumer purchase behaviour, while creating marketing strategies that would gain a competitive advantage and increase market share (Cusmano *et al*., 2010). In particular, wine marketers in South Africa face unique challenges (Von Armin & Herbst, 2009). Since a slower market expansion rate has been estimated between 2014 and 2018, marketers should focus on the realignment of marketing strategies within the South African wine industry to grow market share (Marketline, 2014; WOSA, 2013).

Wine is characterised as a complex product, primarily due to two reasons: firstly, consumers cannot always taste the wine prior to the purchase, and secondly, the product can be bought for different occasions that may induce different consideration sets (Quester & Smart, 1998; Von Armin & Herbst, 2009). To alleviate the perceived risk of making an incorrect or inappropriate decision, wine consumers rely heavily on prior experience and product knowledge (Lacey *et al*., 2009). The level of information sought prior to the purchase may in turn be influenced by the consumer's level of product involvement. Based on consumers' knowledge and product involvement levels, marketers aim to highlight specific and appropriate product attributes (Ginon *et al*., 2014), however limited published literature has investigated the product attributes important to South African wine consumers for particular purchase occasions.

Consumers' responses to signals of product quality are fundamental to the development of marketing strategies (Cuellar & Claps, 2013). In many instances, product attributes are used as quality signals or indicators. Wine marketers in particular use intrinsic and extrinsic product attributes to communicate superior quality

or differentiating characteristics to consumers (Viot, 2012). In an attempt to gain insight into South African wine consumers' purchase behaviour, the concluding chapter will discuss the implications of the empirical results of this study in more detail. Based on the empirical results this chapter will attempt to, provide practical marketing strategy recommendations for South African wine marketers. The chapter will conclude with a summary of some noteworthy limitations of the study and provide some considerations for future research.

6.2 SYNOPSIS OF THE STUDY

The main aim of this study was to determine how different levels of subjective product knowledge, perceived risk, and product involvement influence the volume of wine purchased (bottles purchased per month) for own consumption, more specifically in the South African wine market. Additionally, an attempt was made to identify unique combinations of product attributes important to a sample of South African wine consumers with different (low, moderate and high) levels of subjective product knowledge, perceived risk and level of product involvement. The perceived risk scale proved unreliable for this sample and was therefore excluded in further analysis.

As noted earlier, wine marketing and consumer behaviour literature have increased in volume and scope. This increase is mainly due to the fact that the documented research is becoming more sophisticated as variables such as personality, involvement, product knowledge, perceived risk and motivation for purchase are included in wine research (Jităreanu, 2012). Unlike previous research on wine consumer purchase behaviour, the study investigated the importance of product attributes in the purchase of wine for own consumption in conjunction with different levels of product knowledge and level of product involvement. Another noteworthy aspect of this study was that for each level of product knowledge and product involvement, a unique combination of product attributes were identified that are seemingly important to these consumers when purchasing wine for own consumption.

To provide the necessary context and theoretical point of departure to investigate the influence of product attributes, subjective product knowledge, perceived risk and level of product involvement on wine purchase behaviour it was deemed important to

propose a conceptual theoretical framework of wine consumer decision making (Figure 3.1). The review of literature gave way to an in-depth discussion on wine consumer decision making delineating the study toward the three main independent variables and the twenty-five product attributes considered.

Based on the literature reviewed, a questionnaire was developed and pre-tested among a representative sample and academics and experts in the field of Marketing and Consumer Psychology (n=15). The results from the pilot study resulted in a few minor adjustments to the questionnaire pertaining to wording and sentence structure, where after it was distributed via e-mail to possible respondents. In an attempt to compile a diverse sample, three main sources of possible respondents were used, namely: personal and professional (wine industry related contacts) sources, an open online forum source and a South African wine website source (Wine.co.za). Ultimately, a total of 642 completed and usable questionnaires were received.

In an attempt to reach the primary and secondary research objectives the data were subjected to a variety of statistical analyses. Firstly, a Cronbach's Alpha reliability analysis was conducted to determine the reliability of the measurement instrument (Churchill, 1979; Lance, Butts & Michels, 2006). The Cronbach Alpha values for the subjective product knowledge and level of product involvement scales exceeded 0.7 (0.86 and 0.93 respectively) and therefore displayed acceptable reliability. Hence, these values indicated that the statements were reliable in measuring the intended constructs. However, the Cronbach Alpha of 0.58 for the total perceived risk scale indicated that the items were not a reliable measure of the construct ($\alpha<0.7$). The items showed low item-total correlation values ranging from 0.14 to 0.51, whereby these low item-total correlation values indicate that these items did not measure the intended perceived risk construct accurately. To investigate the perceived risk scale further, an exploratory factor analysis (EFA) was conducted on the complete dataset. After conducting a Horn's parallel analysis (Pallant, 2005:175) and investigating the screeplot, the presence of five factors were revealed - contradicting the six factors (perceived risk dimensions) included in the measurement instrument as proposed by Bruwer *et al*. (2013). A standard Varimax rotation was then applied in an attempt to relate the calculated factors (5) to theoretical entities. The loadings were tentatively reported, however future improvements and re-testing is necessary before the

instrument can be regarded as robust. However, the improvements of the perceived risk scale did not fall within the scope of the study and the interpretation of data from the perceived risk scale was therefore not included in further discussion.

The primary statistical analysis for this study was performed by means of one-way ANOVA's, additionally a Fisher's LSD test was used to reveal the statistical significant differences *between* variables (product attributes considered in the secondary objective and measured by means of BWS), while a two-way mixed method ANOVA was used to investigate the statistical significant differences *within* groups.

6.3 MANAGERIAL RECOMMENDATIONS

This study firstly contributes to the body of wine marketing and consumer behaviour literature by indicating that different levels of subjective product knowledge and level of product involvement have an influence on the volume of wine purchased for own consumption. Secondly, the study contributes by suggesting that consumers with different levels (low, moderate and high) of subjective product knowledge and level of involvement find unique combinations of product attributes important when purchasing wine for own consumption.

The following section will present managerial recommendations after which the recommendations will be categorised according to in-store marketing, digital marketing and brand home/winery marketing recommendations. These recommendations should be read with circumspection as they are based on a sample of South African consumers and cannot without further research be generalised to the totality of the South African wine consumer market.

6.3.1 Subjective product knowledge recommendations

A statistically significant difference was reported between the volume of wine purchased for own consumption and respondents with different levels of ***subjective product knowledge*** (low, moderate and high). As subjective product knowledge increases, the volume of wine purchased for own consumption tends to increase. This finding is in accordance with the research presented by Viot (2012), who suggested

that subjective product knowledge significantly influences consumers' purchase behaviour.

While actual (objective) knowledge is frequently influenced by a consumer's previous experience, subjective product knowledge is influenced primarily by a consumer's *self-confidence levels* (Bearder *et al*., 2011; Berger *et al*., 1994). If consumers feel confident in their level of product knowledge, the perceived risk involved in making the purchase will decrease (Dodd *et al*., 2005). In this regard South African wine marketers, as proposed by viticulturist Richard Rose, should focus on increasing low product knowledge level consumers' wine knowledge (Strategy key to growing SA wine industry in difficult times, 2013). This strategy could aid in building consumers' confidence in decision making and ultimately influence the volume of wine purchased for own consumption. Additionally, consumers' level of subjective product knowledge influences the *sources of information* used during/prior to decision making. As mentioned earlier, consumers with high levels of subjective product knowledge show greater interest in impersonal information sources and the self (own knowledge and preferences) (Dodd *et al*., 2005). Similarly, Bishop and Barber (2012) argue that consumers with higher confidence (self-esteem) levels rely on themselves and impersonal information sources (such as the Internet and media) during decision making. These suggestions stress the importance of increasing consumers' wine knowledge, as consumers become more reliant on impersonal sources of information and the self (own knowledge and preferences) as subjective product knowledge increases. South African wine marketers could influence consumers' subjective knowledge and confidence levels by creating reliable and informative sources of *impersonal information*.

What is a reliable and informative impersonal information source, how can South African wine marketers create such sources of information in-store and on digital platforms and when consumers visit the brand home/winery?

The following section aims to provide insight into how South African wine marketers can provide information to consumers with different levels of subjective product knowledge on different platforms, in an attempt to ultimately increase subjective product knowledge and volume of wine purchased for own consumption. However,

first a short summary of the product attributes reportedly important to different levels of subjective product knowledge respondents are provided.

6.3.1.1 Importance of product attributes: Within group subjective product knowledge

For respondents with **low subjective product knowledge**, the top five most important wine product attributes were: *grape variety*, *friends/family recommendations*, *price*, *easy drinking wine*, and *medals/awards*. The five least important wine product attributes for low subjective product knowledge respondents were: *bottle shape/design*, *opinion of the press*, *organic vine*, *opinion of sales representative*, and *alcohol content*. No significant differences were identified between the four most important attributes namely: *grape variety*, *friends/family recommendations*, *price*, and *easy drinking wine.* This result could indicate low product knowledge consumers' inability to significantly differentiate between the four wine attributes they deemed most important.

As for respondents with **moderate subjective product knowledge**, the five most important attributes when purchasing wine for own consumption were: *grape variety*, *vintage*, *price*, *friends/family recommendations* and *region of production*. Statistically significant differences were reported between *grape variety* and the other four attributes, as well as *vintage* and the other four attributes. The five least important attributes were: *wine merchant name*, *bottle shape/design*, *organic vine*, *alcohol content*, and *opinion of sales representative*. *Alcohol content* and *opinion of sales representative* were significantly less important than the other least important attributes.

Respondents with **high subjective product knowledge** considered *grape variety*, *region of production*, *vintage*, *brand name* and *friends/family recommendations* as the most important product attributes. In this case, *grape variety*, *region of production* and *vintage* differed significantly in importance compared to the other five most important attributes. On the other hand, *wine merchant name*, *organic vine*, *bottle shape/design*, *opinion of sales representative* and *alcohol content* were the least important product

attributes, where significant differences were only reported between *wine merchant name* and *alcohol content*.

6.3.1.2 Importance of product attributes: Between group results for subjective product knowledge

The product attributes that differ significantly in importance between low, moderate and high subjective product knowledge groups are: *grape variety*, *opinion of sales representative*, *medals/awards*, *friends/family recommendations*, *region of production (terroir)*, *bottle shape/design*, *vintage (year)*, *wine merchant name*, *easy drinking wine*, *label shape/aspects*, *opinion of the press*, *environmentally friendly* and *aging method*.

The following section will incorporate the within and between group results to present some managerial recommendations.

6.3.1.3 Managerial recommendations for subjective product knowledge

In-store marketing recommendations: As proposed by Kolyesnikova *et al*. (2008), consumers who purchase products that require sensory stimulation (such as haptics, smell and taste) including wine, may be influenced by in-store or online product attributes and even personal information sources. South African wine marketers should therefore focus on using product attributes to communicate product-related information and spark the use and importance of personal information sources in-store (such as other consumers' recommendations). This suggestion is relevant to the current study as most of the respondents predominantly purchase wine from retail (grocery) stores (36%). Some respondents also purchased at other wine-specific retail stores such as specialist liquor stores (31%) and boutique wine stores (6%). From the findings it was evident that respondents do not necessarily purchase a large number of bottles per week, resulting in low purchase volumes per month. Thus, the question remains as to which product attributes should be elevated to stimulate consumer product knowledge and ultimately volume wine purchases. In an attempt to make some in-store recommendations for wine marketers, the following section will elaborate on findings and relevant recommendations for the study at hand.

Packaging and labelling are most often used by wine marketers to display extrinsic product attributes in an attempt to communicate intrinsic quality. Therefore, extrinsic product attributes should be communicated effectively through packaging and labelling to influence purchase decision making in-store. In particular, when targeting low subjective product knowledge wine consumers (in an attempt to increase these consumers' wine knowledge) South African wine marketers can draw focus to *grape variety*, *price*, *easy drinking wine* (indicated on packaging) and presenting *medals/award* stickers. For moderate subjective product knowledge wine consumers, South African wine marketers can in turn focus on presenting *grape variety*, *vintage*, *price* and *region of production* clearly on packaging and labelling. For high subjective product knowledge consumers the *grape variety*, *region of production*, *vintage* and *brand name* should clearly be presented. However, presenting the *alcohol content* as a persuasive product attribute on packaging and labelling will not be significantly important for any of the three subjective product knowledge level consumers in this study. The challenge for wine marketers, however, will be to determine in which subjective product knowledge level (high, moderate and low) consumers are, to thus ensure appropriate product attribute information presented during decision making. It can be suggested that wine marketers set up contact points (to provide information according to subjective product knowledge levels) with consumers prior to the consumers' engagement with the packaging or label in-store or online. In this regard, in-store technology can assist wine marketers to determine subjective product knowledge levels, provide appropriate product attribute information according to subjective product knowledge levels, and engage with consumers. For instance, a branded shelf at the beginning of an aisle, with a mounted electronic questionnaire device, can ask consumers to answer a few self-assessment wine-related questions where after wine product information – based on the self-assessment score – will be presented on wines. On the other hand, when consumers purchase online, a similar self-assessment questionnaire can be presented whereafter information can be provided in accordance to the scored subjective product knowledge level.

On the other hand, the earlier mentioned phenomena's in wine packaging and label design should be taken into consideration. As cited earlier, Boudreaux and Palmer (2007) argue that wine marketers should increasingly focus on "modern" label design shapes and aspects. According to Eedes (2012), the onus rests on wine producers

and marketers to appeal to “new” or changing wine consumers in the market through innovative packaging. Attention-grabbing, bold packaging and labelling will lead the way to attain a bigger market share for the current wine consumers. In contrast, it has been suggested that consumers (irrespective of subjective wine knowledge levels) prefer wines with a “classical” or more “traditional” approach to packaging and label design (Viot, 2012). However, based on the findings presented above, understanding consumers’ preferences and the importance attached to specific product attributes is critical in aligning the marketing strategy and target market. These extrinsic product attributes should guide South African wine marketers when planning marketing strategies pertaining to packaging and labelling for consumers with different levels of subjective product knowledge.

It has been suggested that the *sources of information* consumers use during purchase decision making depends heavily on the complexity of the product as well as the purchase situation. Within the given context for low, moderate and high subjective product knowledge consumers, South African wine marketers should consider *friend/family recommendations* as an important source to provide information on the product. However, a significant difference in importance between low and high consumers have been reported, whereby high subjective product knowledge respondents regard *friends/family recommendations* as less important when purchasing wine for own consumption. Consequently, influencing friends/family to spread positive word-of-mouth and recommendations regarding the product is significantly more important for marketers who target low subjective product knowledge consumers, for example young consumers (aged 18-29 years according to Fountain and Lamb, (2011)) entering the wine market for the first time.

These consumers find word-of-mouth recommendations more credible, compared to marketing communication, as these sources are perceived to be unbiased and generated by “people like me” (Allsop, Bassett & Hoskins, 2007). To substantiate this claim, Gremler, Gwinner and Brown (2001) suggest that inter-personal bonds significantly influence positive word-of-mouth, and that these relationships are fundamentally built on trust. Subsequently the question remains, how can marketers stimulate positive word-of-mouth?

The following characteristics should be considered when attempting to encourage the spread of positive word-of-mouth (Allsop *et al*., 2007): firstly, the inequality of social networks in that not all individuals in a social network have equal influence over purchase decisions; secondly, the context and situation determines the information spread and required; thirdly, decisions are made based on a complex interaction between cognitive preferences and emotional benefits; fourthly, the constantly changing consumer environment in which word-of-mouth takes place; and finally, the polarity of the information being communicated determines the diffusion or impact in the social network. Ultimately, South African wine marketers should gain insight into the specific roles individuals (friends/family) and reference groups play in influencing wine consumers.

Pertaining to the above characteristics, the unique influence of different family members and occasion-based recommendations was discussed in the literature review. For instance, husband-wife purchase behaviour roles should be investigated in greater detail by South African wine marketers and the marketing mix should fit the different purchase behaviours reported for family members. As proposed by Barber and Almanza (2006) as well as Bruwer *et al*. (2012), females predominantly purchase wine for the household and therefore has become the primary target for retail wine purchase. In terms of the influence of *friends/family recommendations* (including word-of-mouth communication), it has been suggested that females tend to rely more (as compared to their male counterparts) on inter-personal recommendations when making a purchase decision (Capelo, 2014). It is therefore strongly recommended (based on the literature overview) that South African wine marketers focus on reaching consumers (in particular female consumers) through active involvement in creating the brand image, as this may lead to word-of-mouth and ultimately future sales. For instance, feature a competition in association with a local magazine (for instance Sarie and Sarie online) where a group of female friends (minimum four, to stimulate inter-personal communication) should come up with food paring ideas and recipes for a portfolio of wines. This strategy (and other strategies that could encourage interactive, inter-personal communication between consumers – in this case, in particular female) may be valuable to investigate and explore within the context of the study at hand, in particular when targeting low subjective product knowledge consumers.

Higgins, Wolf and Wolf (2014) suggest that wine marketers are lagging behind in adopting web based technology for marketing purposes. Consumers are relying on a vast array of information sources online, even while shopping in a retail outlet. Higgins *et al*. (2014) also reported that consumers who consider themselves experts (high subjective product knowledge) rely heavily on technology (as an information source) when making a purchase decision. Based on the findings from the study at hand, low subjective product knowledge consumers may need an alternative source of information in-store, as friends/family and other reference groups may not be immediately available in the purchase situation (if recommendations were not made prior to visiting the retail store).

Some innovative technology can be used in-store to gain interest (a source of information) and attract attention to a particular brand. In some instances these information sources could aid as an in-store "substitute" for personal recommendations by friends/family or other reference groups. For instance, a digital screen can be mounted on wine shelves, whereby consumers can gain information regarding a specific wine with the touch of a button. On this interactive information platform, digital consumer testimonials can be given to describe the wine, the occasion-specific use, food and wine paring ideas, and quality confirmations. To entice the consumer to partake in this interactive information platform, creative means of displaying information (such as infographics – refer to Appendix G for an example) can be used. This way of gaining information in-store may appeal more to the so-called "omni-shopper" (Monti, 2016). The omni-channel shopping phenomenon entails that consumers use a combination of online and inter-personal sources of information during purchase decision making. These consumers may be part of the high subjective product knowledge group, but through creative information displays low subjective product knowledge consumers may also find this platform useful and interesting.

Notwithstanding the above discussed possible opportunity for creating wine-related in-store information devices that can be used by different levels of subjective product knowledge consumers, it would be vital for South African wine marketers to create a persuasive and engaging display that would attract consumers' attention. As mentioned earlier, a vast array of information sources are available. The following section will focus on digital marketing recommendations that may assist South African

wine marketers to create digital marketing strategies (including smartphone applications) with a competitive edge.

Digital marketing recommendations: In this study 7 per cent of respondents claim to purchase wine by means of online merchants. Traditionally online purchases were primarily made by using a personal computer, however currently consumers also purchase products by means of tablets and smartphones. The major benefit for consumers of using a tablet or smartphone is that these devices can be used with greater geographical flexibility. In general, online purchases limits time risk (in particular search time) by providing consumers with the flexibility and ease to purchase online without having to take the time to visit a store. In many instances products can be delivered to a predetermined location that would be most convenient for the consumer. Alongside this advantage, online purchase platforms most often provide detailed product information, consumer reviews and quality guarantees (Park & Kim, 2003; Stanton, 2013).

Within a South African context, it has been reported that online retail will reach 1 per cent of overall retail purchases in 2016. These predictions, along with the steading growth of online retailing (above 20% growth annually) since 2000, should signal an upsurge in online retailing to South African wine marketers (SA online retail to pass 1% of total, 2016:1). However, the relatively low percentage of respondents that purchased wine online in this study, together with findings by Stanton (2013:1) that only 15 per cent of online consumers use online platforms when purchasing food and beverages (including wine), may point to some challenges for South African wine marketers. However, digital platforms (in particular smartphone applications) are increasingly used as a source of information during decision making and should be investigated further.

South African wine marketers should therefore focus on attracting consumers to not only purchase wine online, but also use online platforms to search for information. The insights gained in this study pertaining to subjective product knowledge could guide South African wine marketers in streamlining online product and information offerings. Seeing that moderate and high subjective product knowledge respondents showed greater interest (more important) in extrinsic product attributes (that indicate intrinsic

quality), South African wine marketers should consider including more extrinsic product attribute information such as tasting notes on for example online platforms such as brand website and wine-related websites or online shops. Yet, providing introductory level wine-related information (such as a description of the taste or food pairing options) to low subjective product knowledge consumers online could prove to be more beneficial.

The use of infographics, as previously suggested, has gained some commercial and academic attention. Within a digital marketing context, marketers can use infographics to put together images, text and design to create brand or product interest (again, refer to Appendix G for an infographic example). A useful feature of using infographics is that data points (images, text and design) can be shown in context to other data points, and consumers can visually see how data points relate. The major advantages of using infographics in digital marketing are: it creates engaging topics, provides new information, presents visual appealing and distinctive images, conveys simple and focused messages, consumers find it quick and easy to read these messages, the messages are easy to share, and it is perceived as a credible data source (Krum, 2013:4). Luzar (2016) proposes that Generation Y consumers in particular value information that integrates facts and visuals. In other words, when South African wine marketers want to target low to moderate subjective product knowledge Generation Y wine consumers in particular, using infographics as part of its digital marketing strategy should be considered.

As mentioned earlier, low subjective product knowledge wine consumers could find information sources (messages) that are easier to interpret more appealing. In this regard, the QR codes presented on packaging could redirect consumers toward easy to interpret, persuasive and engaging brand websites. The question remains, how can South African wine marketers create persuasive and engaging brand websites with a competitive edge? South African wine marketers should create websites that provide consumers the opportunity to select an occasion, followed by a preferred cultivar (type or style of wine), and followed by a budget indication after which options with information alternatives will appear. The consumer can determine the amount and detail of the information, therefore providing low, moderate and high subjective product knowledge consumers the opportunity to fulfil their information needs. To create an

interactive platform that may attract the attention of the low subjective product knowledge consumer, consumers who simultaneously use the QR directed website can exchange opinions – this interaction may aid as an alternative for *friends/family recommendations* while in-store.

The Internet facilitates the exchange of information between consumers and companies, but more importantly among consumers – known as electronic word-of-mouth (eWOM). eWOM communication can be spread through a variety of platforms, including: weblogs, review websites, retail websites, e-bulletin board systems, newsgroups and social network sites. The basic driving force behind information sharing through theses platforms is the phenomenon of public-good (Cheung & Lee, 2012). In other words, consumers feel that it is their “duty” to provide information to others that could assist in purchase decision making. Alongside this phenomenon proposed by Cheung and Lee (2012), and of particular interest to the discussion at hand, is the suggestion that consumers with higher subjective product knowledge feel the urge to share knowledge with others.

If South African wine marketers could therefore create online platforms where high subjective knowledge consumers can share knowledge with other consumers, these consumers may positively (positive eWOM) influence other consumers. However, in the case of negative eWOM, marketers should be able to contradict these reviews by positive responses and actions. For instance, if a consumer posts a negative comment on an online platform, the brands’ digital marketing team should respond with either a comment or propose an opportunity to rectify the negative experience. Negative eWOM can be rectified to some extent by extending an explanation for the negative experience, apologising for the experience and providing complimentary products in an attempt to rekindle future purchases (Kietzmann & Canhoto, 2013). In essence, a quick and calculated response to negative eWOM is crucial, and therefore South African wine marketers should have dedicated resources to monitor online platforms and create a regulated environment for consumer complaints. For instance, it can be recommended to have a social network (Twitter, Facebook and Instagram to mention a few) presence, to provide a platform for consumers to share positive experiences and host complaints. However, wine marketers should provide incentives to share experiences. For instance, an online competition can be launched where consumers

who share an experience by means of images and/or posts and create the most buzz (through likes, comments and shares) stand a chance to win wine hampers.

It has been suggested that six out of ten people only read news headlines, as such "headlining" has become a popular form of capturing readers' attention particularly on Twitter (The rational and attentive news consumer, 2014:1). Widrich (2013) proposed that marketers test headlines by posting two similar headlines pertaining to the same topic on Twitter and monitor the click through rate and number of re-tweets for each headline. This may provide insight into consumers' interests and may be beneficial in formulating appealing headlines in the future. In addition, to create awareness and greater reach of a tweet headline, South African wine marketers can also use Twitter's promoted tweets service (Schneider, 2014). This service gives *marketers* the opportunity to select a location (geographical area where consumers reside or work) to target, within a particular marketing budget and specified time-frame. Consequently, this service provides an opportunity for focused marketing strategies which will in turn save wine marketers time and money during execution.

South African wine marketers can also use Facebook as a marketing platform to post promotional comments (linked to Twitter headlines), photos, upcoming events calendar, and to host competitions. However, Facebook can also be used for social logins. These social logins provides consumers the opportunity to log into websites (wine-related in this case) by using their Facebook account. These logins can automatically link back to the brand's Facebook page and could provide data on wine-related websites visited by the target audience. Janrain (2016:1) suggests that 65 per cent of consumers rather use social logins, than create a website specific login. Hence, the access to social logins may provide rich data to marketers and provide convenient login alternatives to consumers. On the other hand, social media platforms can be used as a competitive research mechanism by for example investigating top headlines and Facebook posts by competitors in an attempt to create more attractive posts. Schneider (2014) proposed that marketers use QuickSprout (website traffic analysing tool) as a source of information for popular competitor posts. Once the brands' marketers have come up with a better article or post than competitors', the headlining approach can once again be followed and the post can even be linked to competitor tweets on similar topics.

Instagram allows marketers to tell stories and share experiences through images. Koo (2013) suggests that marketers should link the brand's Twitter and Facebook accounts to its Instagram account to generate a substantive following. Furthermore, it is suggested that by having a good balance between business and "fun"/"entertaining" posts (images), consumers' attention can be retained (Hemley, 2013). By researching the brand's followers, insights into consumer activities, interests and hobbies become available to marketers to use as a strategic tool. Ultimately, the social media strategy should be integrated into the marketing strategy as a whole (Keenan, 2013).

With respect to these social media recommendations, the researcher would advise wine marketers to consider each unique situation (in terms of location, timing, consumer market, budget and brand portfolio) whereby a fitted strategy should be developed.

Brand home/winery recommendations: Aside from purchasing wine at a retail (grocery) store and speciality wine outlets, the second largest percentage of wine purchases made by this studies' sample were at wine farms (cellar) (20%). This may be explained by the large percentage (70%) of the sample that resides in the Western Cape, where most of South Africa's wineries are situated (WOSA, 2016). The recommendations for wineries will therefore be twofold, firstly to create a memorable experience for consumers who can visit the winery frequently and secondly to attract consumers who have not yet visited the winery.

Consumers' interest in wine is growing as it is increasingly becoming part of consumers' lifestyle. Alongside this phenomenon, consumers show greater interest in visiting the places (wineries) where wines are produced (Molina, Gómez, González-Díaz & Esteban, 2015). These winery visits also play a major part in South African tourism, in particular in the Western Cape (winetourismsouthafrica, 2016). Nonetheless, smaller wineries sometimes face unique challenges compared to bigger wineries, for example to attract attention to the brand (and winery). Most of the smaller wineries sell the products from the winery itself, and therefore need to focus on attracting consumers to visit the wineries (Barber, Donovan & Dodd, 2010). South African wine marketers could focus on creating a memorable experience (irrespective of the size of the winery) for consumers when visiting the winery. This memorable

experience could in turn extend and have a positive effect on the brand's image and may lead to positive word-of-mouth (including eWOM), ultimately influencing sales (Molina *et al*., 2015).

Since the early 2000's, some modern marketing strategies have increasingly been used by wine marketers. Noticeably, social media has become a popular tool to attract consumers to visit wineries, to host competitions where an exclusive winery experience (including, for example private tastings facilitated by the wine maker) can be won, to share product and winery information, to share and attract attention to winery events, and to share a gallery of images to create visual stimuli. The use of social media has become as important for smaller wineries, if not more so, than for bigger wineries – as smaller wineries should, in most cases, invest more in creating awareness and a desire for the product.

Based on the findings from this study, low subjective product knowledge consumers rely more on *friends/family recommendations* as an information source, therefore harnessing positive word-of-mouth through friends/family is essential for wine marketers. This strategy is vital, as this study's results support the notion that as consumers' level of subjective product knowledge increase, so too will the volume of wine purchased for own consumption. Based on this finding, marketers should aim to attract consumers to visit the farm and once consumers visit the winery, whether it is as a result of social media posts or through recommendations, a memorable experience should be created that will extend into future purchase and brand loyalty. According to Bharwani and Jauhari (2013), at the heart of a memorable consumer experience is the consumers' interaction with employees. The authors suggest that employee training (to ensure that employees are friendly, competent, proactive and interactive) is of utmost importance to elevate an experience to a memorable one. In addition, Gentile, Spiller and Noci (2007) suggests that even though the experience depends greatly on the characteristics of the product, the venue (in this case, the winery) should be conducive to a memorable experience. Hence, to understand the consumers that purchase the wines and may visit the winery is of utmost importance for wine marketers as this knowledge may extend into the design and features of the winery (venue). For instance, if your wine is focused at Generation Y consumers that

may have young families the venue should have appropriate facilities (such as baby/toddler bathrooms and play areas for children).

Wineries have traditionally used wine club membership to promote brand loyalty, whereby members of these clubs get special discounts on products and invitations to events hosted at the winery. Membership numbers can also be increased by using social media platforms in a creative manner. Social media platforms can reach consumers that are outside the geographical scope/area of the winery, and bring the winery experience to the platform by means of images, video clips and news articles. In this regard, Julig (2013) suggests that wineries follow three strategies: firstly, partner with complementary brands, secondly rewarding loyal consumers and thirdly to tell stories and educate consumers. Smaller wineries could for instance gain exposure by partnering with a bigger complementary brand. For example, a smaller winery (who wants to attract attention and stimulate sales through increased winery visits) could host a wine and Lindt chocolate tasting at the winery, using the consumer base of Lindt chocolate as a strategic mechanism. Many retail industries (for instance grocery, apparel and cosmetic stores to name a few) utilise loyalty reward programs. Mostly these reward programs are based on volume, in other words to ensure that consumers who purchase big volumes are rewarded and to encourage lower volume users to purchase more and gain benefits. Some of the benefits consumers seek when joining loyalty programs are: economic discounts, a sense of belonging or emotional benefits, a sense of recognition or prestige, and lastly access to exclusive treatment (Wirtz, Mattila & Lwin, 2007).

Based on the findings from the current study and the proposed benefits (in particular the emotional benefits as low subjective product knowledge consumers find *friend/family recommendations* more appealing) of introducing reward programs, South African wine marketers are urged to use loyalty programs to boost winery visits. Consumers can be rewarded for visiting the winery and for buying wine from the winery upon a visit.

Infographics, as discussed earlier, are becoming a popular way to communicate complex and large amounts of information to consumers in a visual manner. These infographics can also be used at wineries to communicate for example the winery

history, the wine portfolio available, wine and food paring ideas, wine tasting tips, and winery awards. These creative sources of information are, as mentioned, easy to understand and diffuse, hence being a valuable information strategy at wineries. WineFolly (Puckette & Hammack, 2015; WineFolly, 2016) is one South African company known for creating such infographics and may be valuable to explore for South African wine marketers.

The following section will provide recommendations pertaining to consumers' level of product involvement that South African wine marketers can consider.

6.3.2 Level of product involvement recommendations

Consumers with different ***levels of product involvement*** (low, moderate and high) seem to purchase significantly different volumes of wine for own consumption. Similar to the results for subjective product knowledge, the findings of this study suggest that as level of wine product involvement increases, so too does the volume of wine purchased for own consumption. This finding supports the findings reported by Dodd *et al.* (2005) and Hollebeek *et al.* (2007). Bian and Moutinho (2008), Hollebeek *et al*. (2007) as well as Quester and Smart (1998) posit that consumers' product involvement may also influence consumers' need for information, which in turn has been suggested to influence the volume of wine purchased for own consumption in this study.

As a consumer's product involvement embodies a long-term concern with product decisions, this construct has become pivotal in marketing strategies. As mentioned earlier, level of product involvement could influence consumers' purchase quantities, overall perception of service delivery in store, satisfaction levels, and references to others (Barber *et al*., 2009). Level of involvement has, in many instances, been linked to motivation in literature (Dholakia, 2001) and in turn motivation has been linked to curiosity (Menon & Soman, 2002). The curiosity to know more about a product is often stimulated by higher levels of product involvement, and providing *information* that stimulates and evokes curiosity, could be a competitive advantage. Wine marketers could therefore gain an advantage by understanding the underlying motivation of purchase behaviour through insight into level of product involvement.

Wine consumers rely heavily on *product attributes* as a risk reduction strategy in making purchase decisions, and specifically extrinsic product attributes and information sources are used as a means to reduce perceived risk (Barber *et al*., 2009). Therefore, consumers' level of involvement influences the relative importance of wine product attributes during decision making.

What are the most important product attributes for consumers with different levels of product involvement, and how can South African wine marketers draw attention to these product attributes in-store, on digital platforms and when consumers visit the brand home/winery? The findings from this study could provide some insight for South African wine marketers. The following section will briefly revisit and summarise the findings in this regard.

6.3.2.1 Importance of product attributes: Within group results for level of product involvement

The top five most important product attributes for **low product involvement** respondents were: *friends/family recommendations*, *grape variety*, *price*, *easy drinking wine* and *medals/awards*. No significant differences were found between the first four product attributes, however *friends/family recommendations* and *grape variety* were significantly more important than *medals/awards* for low product involvement respondents. The five least important product attributes for these respondents were: *opinion of sales representative*, *bottle shape/design*, *organic vine*, *opinion of sales representative* and *alcohol content*. Among the least important product attributes, *opinion of sales representative* and *alcohol content* were significantly less important than the other bottom five attributes – aside from no significant differences found between *organic vine* and *opinion of sales representative*.

For **moderate product involvement** respondents, the five most important product attributes when purchasing wine for own consumption were: *grape variety*, *vintage (year)*, *friends/family recommendations*, *price* and *region of production (terroir)*. The five least important product attributes for these respondents were: *opinion of the press*, *bottle shape/design*, *organic vine*, *alcohol content* and *opinion of sales representative*.

Significantly ($p<0.05$) the most important product attribute was *grape variety*, while *alcohol content* and *opinion of sales representative* were significantly ($p<0.05$) the least important product attributes for moderate product involvement consumers when purchasing wine for own consumption.

High product involvement respondents considered *grape variety*, *vintage (year)*, *region of production (terroir)*, *price* and *friends/family recommendations* as the most important product attributes. *Wine merchant name*, *bottle shape/design*, *organic vine*, *opinion of sales representative* and *alcohol content* were reportedly the least important product attributes for these respondents when purchasing wine for own consumption.

Grape variety was significantly more important than the other attributes, however *vintage (year)* and *region of production* were significantly more important than *price* and *family/friends recommendations*. As for the least important product attributes, *opinion of sales representative* and *alcohol content* were significantly less important than the other attributes.

6.3.2.2 Importance of product attributes: Between group results for level of involvement

The attributes that displayed significant differences between groups (low, moderate and high) for level of involvement respondents were: *grape variety*, *opinion of sales representative*, *friends/family recommendations*, *region of production (terroir)*, *alcohol content*, *vintage (year)*, *easy drinking wine*, and *aging method*. The following section will incorporate the within and between group results to propose some managerial recommendations.

6.3.2.3 Managerial recommendations for level of involvement

In-store marketing recommendations: As mentioned previously, the majority of the respondents from this sample purchased wine from retail (grocery) stores (36%) and other wine outlets (37%). Hollebeek *et al*. (2007) along with Lockshin and Spawton (2001) propose that low involvement consumers rely heavily on price, awards and well-known brand names as an indication of quality, while Bruwer and Haung (2012)

suggest that high product involvement consumers consider country of origin and grape variety important when making a wine purchase decision.

With regard to *packaging and labelling*, the findings from this study suggest that South African wine marketers could focus on presenting *grape variety* and *region of production* as prominent features irrespective of product involvement level. Based on the within group results however, *grape variety* seems to be more important to moderate and high product involvement consumers. *Region of production* was not reported as one of the top five most important product attributes for low product involvement consumers, however high product involvement consumers regard *region of production* significantly more important than the other groups. This finding corroborates that of Barber *et al*. (2007) who suggests that high product involvement consumers tend to pay more attention to complex information cues (such as *region of production*) than low product involvement consumers. Some retail outlets (especially grocery stores) organise wine shelves according to cultivar (type of grape). It could however be suggested that speciality retailers, such as wine boutiques who usually target high involvement consumers (who also tend to purchase more wine for own consumption), could organise or categorise in-store shelves according to *region of production*. However, the CBI European wines report (2016) argues that this strategy (organising shelves according to region of production) may favour Old World or more traditional wines within an international market. However within a local market, South African wine marketers could still consider this strategy in highly specialised retail outlets.

Alongside *region of production*, some expert wine consumers (associated with high levels of product involvement) consider *vintage (year)* as an important extrinsic indicator of wine quality (Hollebeeck *et al*., 2007). In accordance with Hollebeeck *et al*. (2007), the findings from this study indicate that moderate and high product involvement consumers regard *vintage* as significantly more important when purchasing wine for own consumption when compared to low product involvement consumers.

Barber *et al*. (2007) propose the emergence of a new involvement category, namely the “emerging wine learner”. This new involvement category indicates that moderate

involvement consumers are becoming more interested in learning about wine (in the aspiration to become wine experts) and therefore even consumers with moderate levels of involvement are bestowing more importance onto complex product attributes (such as *vintage*). Consequently, South African wine marketers can use *vintage* as a competitive advantage to educate moderate (and low) product involvement consumers by presenting for instance a neck tag (an information pamphlet around the neck of the wine bottle) with information on the vintage and the value of purchasing a particular *vintage* on the packaging, and consequently decrease consumers' perceived risk of vintage variation.

To indicate vintage quality and reduce the perception of vintage variation (differences between vintage quality production), many wine marketers utilise wine *medals/awards* to indicate the quality of a particular wine based on vintage and cultivar, however much debate has surfaced regarding the influence of *medals/awards* on wine purchase behaviour (Von Armin & Herbst, 2009). For this particular sample, *medals/awards* did not feature in the top five important product attributes for moderate and high product involvement consumers. Entering wine award competitions is a major expenditure for marketers, with limited proof of a positive influence on sales (Sleet, 2014). Within wine marketing research, a number of studies argue the effectiveness of wine awards as a quality indicator (Fandos & Flavián, 2006; Sial, Gulzar, Riaz & Nawaz, 2011; Michelangeloawards, 2014), whereas industry players and researchers have indicated advantages for entering wine competitions but have questioned the effectiveness in terms of return on investment (Sleet, 2014; Von Armin & Herbst, 2009). If South African wine marketers could effectively communicate the value (use benefits or prestige) of *medals/awards* to consumers, in an attempt to indicate vintage quality, it may serve as a competitive advantage. It is therefore suggested that South African wine marketers focus on informing South African consumers (in particular moderate and high product involvement) of the value (use benefits or prestige) of *medals/awards* as a vintage quality indicator. This change in value of use perception (to a reliable vintage quality indicator) could be facilitated by enhancing consumers' exposure to the award events, media and news exposure of the award results, and information provided on the prestigious nature of each award. Digital marketing efforts and featured in-store information can be provided on results from wine award competitions to create and increase awareness of these *medals/awards*. For instance, to mount a digital display

(next to the wines on the shelf, for example the size of a tablet) of *medals/awards* won by the wines (current and past) alongside a brief description of the value (meaning and prestige) of the *medals/awards*.

In the CBI European wine report (2016) it was recommended that New World wine country marketers should focus on the taste and the purchase occasion of the wine when promoting in-store in general retail/grocery stores. The findings from the current study indicate that providing information on the *ease of drinking* is significantly more important for low product involvement consumers (in particular within a New World wine setting). As such, South African wine marketers who target low involvement consumers could indicate the *ease of drinking* of the wine (linked to a casual occasion) on *packaging and labelling*. This can be done for instance by tying a creatively designed neck tag around the neck of the bottle to show or describe the *ease of drinking* of the wine. Gorman-McAdams (2012) suggests that such a description should establish a feeling of straightforwardness, simplicity and ultimately signify that the wine is a crowd pleaser. An example of such a neck tag can read: “Easy to drink, easy to enjoy” or “Happiness is wine with friends – make every day a happy day”. Many different neck tag designs are available, including: bottle banners, bottle sleeves, bottle hangers, bottle starbursts and bottle swatch cards (see Appendix H). Traditionally, the information on the back label focus on the sensory characteristics (for instance taste and aroma) and history of the winery, however these do not necessarily discuss the *ease of drinking* the wine or the occasion the wine can be enjoyed at. South African wine marketers may consider adding this description to the back label for wines targeted at low involvement consumers. The front label on the other hand, should provide information that is in accordance to the liquor law of the particular country. According to SAWIS (2016) guidelines on mandatory information for wines produced/sold in South Africa, the front label should provide the name of the brand, the class and type of designation, the alcohol content, importer details (if relevant), net contents, allergen declaration, health warning and country of origin (*region of production*). Additionally, this information should be provided in a particular font size and in a determined layout (however, some flexibility is allowed). Refer to Appendix I for more information pertaining to the legality of information provided on the front label. With respect to presenting the *alcohol content* as a persuasive product attribute on packaging and labelling, the sample for this study (irrespective of product

involvement level) suggested that it is not a significantly important product attribute when purchasing wine for own consumption.

Aside from packaging and labelling, wine consumers find other *sources of information* useful and important during decision making. It has been suggested that level of product involvement influences the sources of information used during decision making in-store (Lockshin *et al*., 2006). In particular, *friends/family recommendations* are significantly more important to low product involvement consumers and therefore when targeting these consumers, South African wine marketers should focus on stimulating this source of information in marketing strategies. Similar to the managerial recommendations made for subjective product knowledge findings, South African wine marketers should find a "substitute" for *friends/family recommendations* in-store that might change consumer decision making from a recommended brand to another. Likewise Bruwer *et al*. (2014) suggests that low product involvement consumers find word-of-mouth recommendations most valuable during decision making. It has also been recommended in the Bruwer *et al*. (2014) study that low product involvement consumers find comfort in a balanced assortment of well-known brand names (as these are the brands frequently recommended by friends/family). Thus, to stimulate a "substitute" for *friend/family recommendations* in-store wine marketers should provide a well-balanced assortment of wines, but even more so make sure that the brand name is well recognised. One way to ensure that the in-store *friends/family recommendations* "substitutes" are legitimate substitutes, is through constant interaction (through employees and in-store surveys) with consumers to evaluate the level of satisfaction with information sources provided in-store.

Therefore, the question for South African wine marketers is: how can a well-known brand be created that forms part of the top-of-mind assortment for recommendations? In other words, which marketing activities could assist wine marketers to develop a well-known brand?

Building a well-known, top-of-mind brand could be an important strategy for wine marketers, in particular when targeting low product involvement consumers, as these brands are more likely to be purchased in the future and recommended to others (Bruwer *et al*., 2014). In this regard, marketing activities (such as price, store image

and in-store promotions) should be strategically aligned with the objective to create a well-known brand (favourable associations and positive recommendations) (Castelo *et al*., 2016). *Price* is often used as a quality indicator, and South African wine marketers should use this extrinsic product attribute to communicate quality to low involvement consumers. This recommendation is substantiated by the findings of the current study whereby low product involvement consumers ranked price as the third most important product attribute when purchasing wine for own consumption.

An efficiently managed distribution channel could assist in building a well-known brand when distributing to stores with a favourable image, hence signalling superior quality products. In this regard, *store image* may be regarded as an extrinsic quality indicator associated with the products offered. Mafini and Dhurup (2015) report a positive association between store satisfaction and store loyalty. In other words, if consumers are satisfied by a store's offerings and services, it may bring about store loyalty. Hence, a favourable store image may support this satisfaction and loyalty. Du Preez, Visser and Van Noordwyk (2008) propose eight dimensions of store attributes that may facilitate creating a favourable store image, namely: atmosphere, convenience, facilities, institutional, merchandise, promotion, sales personnel and services rendered. As such, South African wine marketers can consider the store image of a retail outlet based on these eight dimensions when evaluating and considering where to distribute and offer their wine products.

Consumers perceive high advertising expenditures, in particular *in-store displays and advertising*, as indicators of higher quality products and a well-established brand (Castelo *et al*., 2016). In an attempt to create a well-known, top-of-mind brand, South African wine marketers could use high quality in-store displays and advertising to reinforce the perceived product quality. These high quality displays and advertising may influence consumers during in-store decision making and additionally influence future product recommendations. It has been proposed that 70 per cent of purchases made in-store are influenced by point-of-sale (POS) advertising displays (In-storeCommunications, 2016: 2). Thus, South African wine marketers should utilise innovative and creative means to attract and sustain consumers' attention through displays and advertising in-store. As discussed in the previous section pertaining to subjective product knowledge, digital signage and the use of technology in-store (as

a source of information) have become a popular means to attract and sustain consumers' attention in the retail sector.

As mentioned earlier, in an attempt to engage and provide information to low product involvement consumers in-store, South African wine marketers should offer "substitute" information sources that may replace *friend/family recommendations*. When visiting a retail (grocery) store, low involvement consumers may have limited knowledge of wine and primarily base a purchase on word-of-mouth recommendations by friends/family. Marketers can however engage with these consumers in-store through innovative and creative technology in an attempt to influence purchase behaviour. By using a high quality product display stand/shelf for example, marketers could firstly attract attention, secondly display product superiority through the quality stand/shelf, and lastly use this opportunity to influence behaviour. For instance, at this display stand/shelf marketers can provide interactive, digital information (for example in the form of a tablet) on *grape variety*, *price*, the *ease of drinking* the wine and *medals/awards* won (the product attributes indicated as important in this study) when targeting low product involvement consumers. These interactive devices may attract attention as consumers can find instantaneous information, without additional searches, while making decisions. To draw initial attention to the screen of the devise, wine marketers can feature a video (as movement and contrast attracts attention) of images of the wines and the winery on the screen, even with accompanying audio (a song that resonates with the image of the brand or the wine maker welcoming the consumer to the shelf) to attract additional attention.

Du Preez *et al*. (2008) suggests that sales personnel is one of the dimensions of store image and should be considered when building a brand. However, pertaining to this study the sample did not regard the *opinion of sales representatives* as an important source of information when purchasing wine for own consumption. In general (for both level of involvement and subjective product knowledge), the *opinion of sales representatives* were not important in decision making. This finding may pose as a potential opportunity for South African wine marketers to determine the reason behind this finding and uncover how the perception of the *opinion of sales representatives* (as a powerful persuasion mechanism in-store) may be changed.

Digital marketing recommendations: As mentioned earlier, Chaffey and Smith (2013) suggest that consumer's information search behaviour is changing since the increase in availability and use of digital information sources. These digital information sources include search engines (such as Google), social media (such as Facebook, Twitter, Instagram and Pinterest) and websites, and have been classified as both personal and impersonal sources of information. Lockshin *et al*. (2006) suggests that wine marketers should further focus on providing targeted information to high involvement consumers, as these consumers want to gain more information on wine. In this study, high involvement consumers claim that *grape variety*, *vintage (year)*, and *region of production* is significantly more important when purchasing wine for own consumption. Therefore, when targeting high involvement consumers, South African wine marketers should focus digital marketing content on providing in-depth information on these product attributes. To reiterate, South African wine marketers should aim to increase the product involvement levels of low and moderate involvement consumers, as this may lead to increased sales as the finding of the study suggest that as product involvement levels increase so too will volume of wine purchased for own consumption. As such, information on *grape variety* and *vintage (year)* may appeal significantly more to low product involvement wine consumers; while information on *grape variety*, the *ease of drinking the wine*, and *medals/awards* may be significantly more important to moderate product involvement consumers. Similar to the recommendations made for the subjective product knowledge, South African wine marketers should use the findings pertaining to level of product involvement as a guideline in the development of a digital marketing strategy. In particular, the content presented on digital platforms (including in-store digital advertising signage, brand and wine-related websites and social media) should match the findings. Using well-structured marketing practices to communicate a consistent message through a variety of digital marketing channels is essential. Consequently, the digital marketing strategy should be built on strong market research and knowledge of the consumer market – hence supporting the initial argument of developing consumer-based digital marketing strategy. As specifics on the use of digital marketing strategies was not part of the study at hand, the researcher strongly urges wine marketers to investigate the use and applicability of digital marketing strategies within a given situation.

Low product involvement consumers seem to find *friends/family recommendations* significantly more important than high product involvement consumers. In has been stressed that to attract the attention of low product involvement consumers in-store, a "substitute" for *friends/family recommendations* should be available. Once again, using smartphone applications and digital in-store information sources could aid in this regard. Lockshin *et al*. (2006) state that low product involvement consumers use the increase of product knowledge and tasting the wine prior to purchase as substitute product attributes to signal quality. Aside from these recommendations, South African wine marketers could use digital marketing platforms to attract more consumers to visit the wineries and to taste the wines prior to purchase. For instance, Wagner (2013) proposes that specific events can attract attention to a business and these suggestions may be useful for wine marketers to consider. Firstly, consumers enjoy events where new skills can be learnt. For instance, the winery can host a private wine making master class by the estates wine maker for a limited number of participants. Secondly, an interactive event can encourage consumers to interact with the product and the employees. Waterford wineries in Stellenbosch, for example, host an annual Harvest Festival where consumers are invited to join in a day of grape picking and stomping followed by a harvest celebration party (Evention, 2017). Thirdly, travel events whereby consumers are invited to explore for instance the winery grounds and cellar. Bergkelder (home of Fleur du Cap) wineries in Stellenbosch has daily cellar tours and some special event trips where consumers do salt and wine pairings in the mountain cellar (Bergkelder, 2017). Fourthly, some consumers may find fundraising events attractive. For example, Muratie winery in Stellenbosch alongside the local artist Marié Stander host an annual Muratie Charity Art Auction where consumers can join in an evening of wine, food and art auction – all for a good cause (mariestander, 2017). And finally, adventure events hosted on the farm such as the annual Jakkalsvlei (Herbertsdale winery in the Southern Cape) mountain biking and Jakals trail run event hosted in the beginning of November (Jakkalsvlei, 2017). These events attract people with a sense of adventure and who show interest in outdoor sports, while sharing such occasions with family and friends. These five types of events taps into the increasing phenomenon of events marketing (also called engagement, experiential or participation marketing), whereby Yuan and Wu (2008) suggest that events marketing should ultimately lead to a favourable, memorable and satisfactory experience. Wine

marketers can therefore investigate the feasibility of events marketing to ultimately attract more consumers to visit the winery and taste the wines.

However, the question remains – could digital marketing aid in building a relationship with consumers? This is a critical question as relationships are built on trust and the findings from the current study suggest that consumers (in particular low product involvement) find *friends/family recommendations* important when purchasing wine for own consumption (these relationships are usually built mainly on trust) (Gremler *et al*., 2001). In this regard, Lockshin *et al*. (2006) and Nicholls (2012) encourages wine marketers to use targeted information sources, such as digital marketing (in particular social media) as these platforms aid in building consumer relationships. As mentioned earlier, Lucassen and Jansen (2014) propose that marketers use gamification as a design element in digital marketing campaigns as gamification may stimulate an enjoyable experience that may be associated with the brand. This enjoyable experience may in turn lead to a state of approach motivation that may stimulate the desire to use/purchase the product. It could be posed that consumers might be interested in gamification as part of an interactive, innovative social media strategy irrespective of level of product involvement, but then again it may appeal more to moderate and high product involvement consumers (Poole, Kemp, Patterson & Williams, 2014). Consequently, South African wine marketers may want to consider introducing gamification into social media marketing strategies in an attempt to grab consumers' attention (based on the findings discussed above) in a highly cluttered market environment. For instance, Heineken can be used as an example of an effective gamification campaign and even though this campaign was run on a large scale and for a well-known brand, wine marketers can take away some suggestion points for developing gamification campaigns. Since 2013, Heineken launches the Heineken Star Player game as an application (accessed predominantly through the brand website and Facebook page) for a smartphone during the Champions League in an attempt to increase brand awareness. The game allows consumers to answer questions (for example "will this penalty be saved?" and "will the goal be made by head?") throughout the airing of the live match, whereby the consumer can earn points and ultimately wine Heineken prizes. Berman (2016) argues that this gamification strategy does influence Heineken sales and awareness. As such, wine marketers could for instance create a game that links to an online social media competition (such

as a Mid-week wine quiz, always on a Wednesday between 13:00-14:00, presented where consumers compete against each other to win a weekly wine hamper delivered before the weekend) or even an event hosted at the winery (such as a wine treasure hunt when attending an event).

Brand home/winery recommendations: As mentioned earlier, digital media marketing could assist South African wine marketers to attract consumers to visit wineries, as these visits may increase product involvement and tasting the wine prior to purchase reduces the perceived risk (especially for low product involvement consumers). Offering wines to taste and provide a brand experience is one of the sole purposes of a winery to drive awareness and sales, thus after tasting the wines at the winery low product involvement consumers may be more confident to purchase the wines in the future. One challenging aspect of this strategy is that South African wine production is situated predominately in the Western Cape and may therefore introduce some geographical challenges for consumers in other regions. Wine shows in other areas of South African could be an avenue to explore.

South African wine marketers should endeavour to attract consumers (through social media for instance) to the wineries by hosting events and winery visit competitions, but also sharing other consumers' tasting experiences (reviews) through videos and images. This strategy will appeal to low involvement consumers in particular, as *friends/family recommendations* are significantly more important to them than other product attributes (and sources of information) when purchasing wine for own consumption. However, the question could be posed whether consumers would relate to anonymous consumer tasting experience comments (as opposed to friends/family) online? Positive indications are that 84 per cent of consumers trust online reviews as much as personal recommendations (DeMers, 2015:2; Local Consumer Review Survey, 2016:1). In addition, by linking the winery events to causes that consumers find relatable (referred to as cause-related marketing) has proven some success in the South African wine industry. For instance, Jordan winery in Stellenbosch, South Africa has an annual winter charity drive where consumers can swop old clothes for selected wines (1kg of clothes = 1 bottle of wine, maximum 12 bottles per donation) between May and June (wine.co.za, 2017). To show the impact of such an initiative (and attract visitors to the winery) a closing event can be organised by the marketing manager,

where al donators and association members to whom the donations are made can be entertained on the farm with food stalls and live music (where all funds again go to the charity associations). Another example could be to associate the winery with the World Wildlife Foundation (WWF) and Green Wine award initiatives to attract consumers to the winery while creating awareness for a cause. Annual fundraising events at the farm can be hosted in association with a cause, such a “Boomplantdag” in September where trees can be planted on the farm by consumers or a bird watching and education day in association with Bird Life (South Africa’s leading bird conservation association).

After consumers have visited the winery, the task remains for South African wine marketers to stimulate future purchase. Based on winery visits, Nella and Christou (2014) divide visitors into three groups of involvement (low, moderate and high). The important differences identified between the three groups by these authors are: involvement in the wine, attributes that influence visitors pre and post visits, motives for visit, evaluation of experience, patterns of visitation, wine purchases and sociodemographic characteristics. One of the main advantages of segmenting consumers based on these differences is to identify visitor groups more accurately. These accurate identifications (segmentations) may result in greater alignment of winery (on-site) and off-site marketing objectives, focused marketing expenditures and targeted winery events and offerings. Based on these understandings, a proper positioning strategy can be formulated that may influence the brands’ image favourably.

To summarise, research insights from both subjective product knowledge and level of product involvement can and should be used by marketers to grow the South African wine market. The findings presented some recommendation pathways and ultimately allowed for practical application guidelines pertaining to the South African wine industry. The study at hand addressed and answered the main research question: Do different levels of subjective product knowledge, perceived risk and product involvement influence the volume of South African (New World) wine purchased per month for consumers’ own consumption? In addition, the findings that pertains to the secondary objective of this study was also addressed, namely to determine whether the unique combinations of product attributes vary for different levels (low, moderate and high) of subjective product knowledge, perceived risk and product involvement.

Together, the results and recommendations of the primary and secondary objectives fill a gap in the current South African wine marketing and consumer behaviour literature. However, the study was not without limitations – which will be addressed in the following section.

6.4 LIMITATIONS OF THE STUDY

Notwithstanding the novel contributions of the study, some limitations related to especially the sample, reliability of the perceived risk scale and questionnaire design should be noted. The representativeness of the *sample* and the generalisability of the findings to the South African population are limited. The use of convenience sampling was deemed adequate for the purpose of this study due to time and budgetary constraints, and the need for a large number of respondents. However, this approach impeded the applicability of the results to all South African wine consumers. In addition, snowball sampling was used to ensure that a larger number of potential respondents were reached, however this sampling technique could bring about “like minded” respondents and in turn influence the representativeness of the sample. The study had a relatively large sample size (n=642) and even though this can increase the accuracy of generalisability, the representativeness of the sample could still be regarded as limited given the sample profile. Notwithstanding the sample limitations, the insights from this study provide strong foundation for future research.

Secondly, the reliability of the *perceived risk scale* was questionable, thus none of the objectives pertaining of this construct could be reported. The third limitation relates to the questionnaire design. The questionnaire was relatively lengthy, consisting of six sections and a total of 75 items. In particular, Section B that addressed the importance of product attributes had 25 best-worst scaling (BWS) items. The large amount of questionnaire items related to wine product attributes (BWS alternatives) could have resulted in confusion and frustration among respondents during the completion of the questionnaire. It has been suggested by Ziems (2004) that the Gestalt effect (where consumers cannot “isolate” for example which variable amongst many influenced wine purchase behaviour) could increase respondent confusion in answering the questionnaire. Within consumer psychology, Gestalt psychologists argue that consumers perceive a “purchase” as a whole and may consequently find it difficult to

compartmentalise such behaviour. This notion is supported by the *law of similarity* and the *law of proximity* whereby some respondents may have interpreted some of the product attribute alternatives as relatively similar/close together during decision making and could have found it difficult to separate these alternatives when responding to the questionnaire (Steve, 2011). However, the design of the online questionnaire attempted to limit this effect by only listing five attributes per screen page (rather than all the variables below one another in a printed paper and pencil format).

6.5 SUGGESTIONS FOR FUTURE RESEARCH

Numerous avenues for future research can be proposed. Firstly, studies on wine consumer behaviour in South Africa pertaining to different levels of subjective product knowledge, perceived risk and level of product involvement could include demographic variables (such as age, gender, income and ethnicity) to determine the impact thereof (in combination with the said variables) on wine purchase for own consumption. By including demographic variables, a more detailed description profile of market segments in terms of different levels of knowledge, risk and product involvement are possible.

Secondly, this study only investigated purchase behaviour for own consumption, whereas purchase behaviour for other contexts such as gift giving may yield other findings. Thirdly, the importance of extrinsic and intrinsic wine product attributes could be determined separately for different levels of subjective product knowledge, perceived risk and level of product involvement as in this study, these were grouped together and resulted in extrinsic product attributes dominating. Fourthly, the findings of this study using best-worst scaling (BWS) could furthermore be compared to results obtained if other scaling methods to rank a set of interrelated attributes are used (such as partitioning a fixed total among the attributes, the rating of each attribute and free listing). Fifthly, the perceived risk scale could be further developed for South African research purposes as the employed scale did not yield acceptable psychometric properties. Sixthly, an indepth investigation of the effect of digitalisation on wine purchase behaviour could be further investigated.

Lastly, a comparative study could be valuable whereby the results from this study (a New World wine perspective) can be compared to findings from an Old World wine country to determine whether results show equivalence in terms of the importance of wine product attributes deemed important by consumers with different levels of product knowledge, perceived risk and product involvement.

6.6 CONCLUSION

Historically, South Africa has a rich and noteworthy wine culture dating back to 1652 (Estreicher, 2014). However, from conversations with industry experts and as evident from a review of literature, it is clear that wine consumers are changing. Wine researchers can take up the responsibility to identify and investigate changing consumer behaviour in an attempt to realign marketing strategies to grow market share.

This study made a pioneering attempt to contribute to the understanding of South African wine consumers, specifically how varied levels of subjective product knowledge and product involvement influences the volume of wine purchased for own consumption and the importance of wine product attributes. The findings indicated that different levels (low, moderate and high) of subjective product knowledge and product involvement do in fact influence the volume of wine purchased for own consumption. In addition, the most and least important product attributes were identified for each level of subjective product knowledge and product involvement and the significant differences between groups were highlighted.

In conclusion, this study provides insightful findings on South African wine consumers' purchase behaviour and the role of different levels of subjective product knowledge, level of product involvement, and product attributes when selecting a bottle of wine for own consumption.

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APPENDIX A: WINE ATTRIBUTES

Description of attributes	Example
1. Grape variety	Shiraz/Chardonnay
2. Bottled at estate	Bottled at Neethlingshof
3. Opinion of sales representative	Good recommendation
4. Price	Price of wine
5. Medals/Awards	Veritas
6. Colour of the wine	In the bottle
7. Country of origin	South Africa
8. Promotions	Price promotion or bundles
9. Friends/Family recommendations	Good recommendation
10. Region of production (terroir)	Stellenbosch
11. Alcohol content	14%
12. Organic vine	Organic product
13. Bottle shape/design	Shape of bottle, look and feel
14. Vintage (year)	2013
15. Wine merchant name	Distell
16. Easy drinking wine	Description on back label
17. Cork or screw cap closure	Cork or screw cap
18. Label shape/aspects	Colour, amount of information
19. Opinion of the press	Articles read in newspapers/magazines
20. Brand name	Neethlingshof
21. Environmentally friendly e.g. Fairtrade	Fairtrade credentials
22. General look of bottle	Weight, colour of the glass
23. Experts' opinion (Platter)	John Platter guideline
24. Information on front/back label	Detailed information available, supporting decision
25. Aging method (e.g. oak barrels)	Information provided on back label

APPENDIX B: QUESTIONNAIRE

QUESTIONNAIRE

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Please complete the following questionnaire with regards to socio-demographic characteristics, consumer behaviour activities and psychographic information.
The completion of the questionnaire will only take you a few minutes. Please tick (X) in the block with the most appropriate answers.
Please note that you should consider **purchasing wine for OWN CONSUMPTION when answering the questions**!

Your anonymity will be ensured.

A) SCREENING

What is your nationality?	South African	Other

What year were you born?	> 1995

Have you purchased a bottle of wine for own consumption in the last three months?	Yes	No

Follow up screening questions

How many bottles of wine do you purchase per month for own consumption?	1 - 3 bottles	4 - 6 bottles	7 - 10 bottles	11 - 13 bottles
	More than 13 bottles			

How frequently do you consume wine?	Every week	Every two weeks
	Every three weeks	Every four weeks

Where do you predominantly purchase wine for own consumption?	Grocery store	Boutique wine store
	Wine farm	Liquor store
	Online merchant	Other

What is the average price range per bottle you would consider when purchasing wine for own consumption?	**Red:**	R30 - R50	R51 - R90	R90+	Do not purchase	
	White:	Less than R30	R30 - R40	R41 - R60	R60+	Do not purchase
	Rosé	Less than R30	R30 - R40	R41 - R60	R60+	Do not purchase

When you purchase wine for own consumption, which type of wine do you generally consider?	Only red	Only white	A combination of red/white	Mostly red	Mostly white
	Rosé				

B) PRODUCT ATTRIBUTES

Please indicate which attributes influence your decision when purchasing wine for *own consumption* , by selecting the attribute you consider to be MOST important as well as the attribute you consider to be LEAST important.

Check ONLY ONE attribute for each of the MOST and LEAST columns in each table.

EXAMPLE

MOST	ATTRIBUTE	LEAST
X	Wine merchant name	
	Easy drinking wine	
	Brand name	
	Grape variety	X
	Bottle shape/design	

MOST	ATTRIBUTE	LEAST
	Colour of the wine	
	Grape variety	
	Bottled at estate	
	Organic vine	
	Information on front/back label	

MOST	ATTRIBUTE	LEAST
	Country of origin	
	Bottled at estate	
	Opinion of sales representative	
	Bottle shape/design	
	Aging method (e.g. oak barrels)	

MOST	ATTRIBUTE	LEAST
	Promotions	
	Opinion of sales representative	
	Price	
	Vintage (year)	
	Grape variety	

MOST	ATTRIBUTE	LEAST
	Friends/Family recommendations	
	Price	
	Medals/Awards	
	Wine merchant name	
	Bottled at estate	

MOST	ATTRIBUTE	LEAST
	Region of production (terroir)	
	Medals/Awards	
	Colour of the wine	
	Easy drinking wine	
	Opinion of sales representative	

MOST	ATTRIBUTE	LEAST
	Alcohol content	
	Colour of the wine	
	Country of origin	
	Cork or screw cap closure	
	Price	

MOST	ATTRIBUTE	LEAST
	Organic vine	
	Country of origin	
	Promotions	
	Label shape/aspects	
	Medals/Awards	

MOST	ATTRIBUTE	LEAST
	Bottle shape/design	
	Promotions	
	Friends/Family recommendations	
	Opinion of the press	
	Colour of the wine	

MOST	ATTRIBUTE	LEAST
	Vintage (year)	
	Friends/Family recommendations	
	Region of production (terroir)	
	Brand name	
	Country of origin	

MOST	ATTRIBUTE	LEAST
	Wine merchant name	
	Region of production (terroir)	
	Alcohol content	
	Environmentally friendly e.g. Fairtrade	
	Promotions	

MOST	ATTRIBUTE	LEAST
	Easy drinking wine	
	Alcohol content	
	Organic vine	
	General look of bottle	
	Friends/Family recommendations	

MOST	ATTRIBUTE	LEAST
	Cork or screw cap closure	
	Organic vine	
	Bottle shape/design	
	Experts' opinion (Platter)	
	Region of production (terroir)	

MOST	ATTRIBUTE	LEAST
	Label shape/aspects	
	Bottle shape/design	
	Vintage (year)	
	Information on front/back label	
	Alcohol content	

MOST	ATTRIBUTE	LEAST
	Opinion of the press	
	Vintage (year)	
	Wine merchant name	
	Aging method (e.g. oak barrels)	
	Organic vine	

MOST	ATTRIBUTE	LEAST
	Brand name	
	Wine merchant name	
	Easy drinking wine	
	Grape variety	
	Bottle shape/design	

MOST	ATTRIBUTE	LEAST
	Environmentally friendly e.g. Fairtrade	
	Easy drinking wine	
	Cork or screw cap closure	
	Bottled at estate	
	Vintage (year)	

MOST	ATTRIBUTE	LEAST
	General look of bottle	
	Cork or screw cap closure	
	Label shape/aspects	
	Opinion of sales representative	
	Wine merchant name	

MOST	ATTRIBUTE	LEAST
	Experts' opinion (Platter)	
	Label shape/aspects	
	Opinion of the press	
	Price	
	Easy drinking wine	

MOST	ATTRIBUTE	LEAST
	Information on front/back label	
	Opinion of the press	
	Brand name	
	Medals/Awards	
	Cork or screw cap closure	

MOST	ATTRIBUTE	LEAST
	Aging method (e.g. oak barrels)	
	Brand name	
	Environmentally friendly e.g. Fairtrade	
	Colour of the wine	
	Label shape/aspects	

MOST	ATTRIBUTE	LEAST
	Grape variety	
	Environmentally friendly e.g. Fairtrade	
	General look of bottle	
	Country of origin	
	Opinion of the press	

MOST	ATTRIBUTE	LEAST
	Bottled at estate	
	General look of bottle	
	Experts' opinion (Platter)	
	Promotions	
	Brand name	

MOST	ATTRIBUTE	LEAST
	Opinion of sales representative	
	Experts' opinion (Platter)	
	Information on front/back label	
	Friends/Family recommendations	
	Environmentally friendly e.g. Fairtrade	

MOST	ATTRIBUTE	LEAST
	Price	
	Information on front/back label	
	Aging method (e.g. oak barrels)	
	Region of production (terroir)	
	General look of bottle	

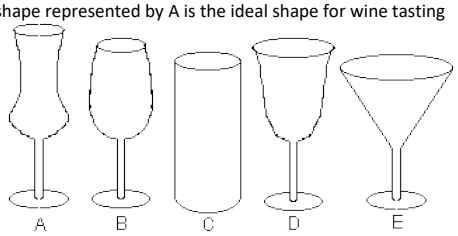
MOST	ATTRIBUTE	LEAST
	Medals/Awards	
	Aging method (e.g. oak barrels)	
	Grape variety	
	Alcohol content	
	Experts' opinion (Platter)	

C) KNOWLEDGE LEVEL

Please indicate how you perceive yourself in the following statements, in terms of wine knowledge:

KNOWLEDGE LEVEL	1 Low	2 Moderate	3 High
In my opinion, my level of wine knowledge in general is…			
Compared to the average consumer, my wine knowledge is…			
My familiarity with wine as a product is…			

Please answer the following questions by selecting TRUE if you agree with the statement or FALSE if you disagree:

	1 TRUE	2 FALSE
Champagne is only made from white grapes		
Pinot Noir is a red wine grape variety		
Black pepper, plum and blackberry flavors describe Merlot wines best		
Red wines are matured in oak barrels to improve the wine's ability to age		
The glass shape represented by A is the ideal shape for wine tasting 		

D) PERCEIVED RISK

Please indicate to which extent the following will influence your wine purchase:

	1 Strongly Disagree	2 Disagree	3 Slightly Disagree	4 Neutral	5 Slightly Agree	6 Agree	7 Strongly Agree
I consider whether the wine I purchase will not taste good							
I purchase wine to complement my food							
I consider the type of wine when I make a purchase (i.e. Shiraz, Sauvignon Blanc)							
I consider whether the wine I purchase will be off (i.e. contain a fault or taint)							
I am concerned about the amount of alcohol in a wine							
I consider the chance of a hangover when purchasing wine							
When purchasing wine, I consider whether I may have an allergic reaction							
The price of wine is an important factor in my purchase decision							
The price of the wine I buy depends on the occasion I am purchasing it for							
I try to get value for money when I purchase wine							
I buy wine to socialise with others							
I am most likely used as a source of wine information in my circle of friends							
I worry that others will not enjoy the wine that I purchase							
I often seek approval from friends and/or family regarding my wine choice							

Please indicate to which extent the following will influence your wine purchase:

	1 Strongly Disagree	2 Disagree	3 Slightly Disagree	4 Neutral	5 Slightly Agree	6 Agree	7 Strongly Agree
Others are impressed with my ability to make good wine selections							
I often have doubts about wine purchase decisions I make							
The possibility of a negative impression affects the wine that I purchase							
Shopping for wine is a fun and exciting activity							
Shopping for wine is time consuming							
I know where to look to find wine-related information							
I pay a lot of attention to the wine I buy							
I frequently agonise over which wine to buy							

E) LEVEL OF INVOLVEMENT

Comment on the following statements pertaining to your opinion of wine in general:

	1 Strongly Disagree	2 Disagree	3 Slightly Disagree	4 Neutral	5 Slightly Agree	6 Agree	7 Strongly Agree
Wine is important to me							
Wine is relevant to me							
Wine is exciting to me							
Wine is appealing to me							
Wine is valuable to me							
I am interested in wine							

F) DEMOGRAPHIC INFORMATION

What is your age (in years)?	18 - 30	31 - 40	41 - 50	51 - 60	61+

What is your gender?	Male	Female

What is your gross monthly household income (before deductions, e.g. tax)?	Under R5000	R5001 - R15000
	R15001 - R25000	R25 001 - R35000
	R35001 - R45000	R45001 - R55000
	Over R55001	

Which ethnic group do you belong to?	White	Black	Coloured	Indian	Other

What province do you live in?	Eastern Cape	Free State	Gauteng	KwaZulu-Natal	Limpopo
	Mpumalanga	Northern Cape	North West	Western Cape	

Thank you for your participation!

APPENDIX C: A CHRONOLOGICAL TIMELINE

The timeline is included in order to understand the chronological flow of the history of the South African wine industry over the past 350-years. In 2009 the Cape wine lands celebrated 350-years of wine production and the following section will highlight important developments during this timeline.

Developments before 1650

- **1488 –** Bartolomeu Dias, a Portuguese mariner, rounded the southern tip of Africa. The Portuguese King Henry named it Cabo de Boa Esperanca, the Cape of Good Hope (Hands & Hughes, 2001:17).
- **1580 –** 'This Cape is the most stately thing and the fairest cape we saw in the whole circumference of the earth', was a diary entry by Sir Francis Crake while rounding the Cape on the circumnavigation of the world (Hands & Hughes, 2001:17).

Developments between 1650 and 1890

- **1652 –** A refreshment station was set up at the Cape of Good Hope by the Dutch East India Company (DEIC). The Cape of Good Hope was under the command of Jan van Riebeeck (WOSA, 2010). Jan van Riebeeck arrived on the Drommedaris in Table Bay (Hands & Hughes, 2001:17).
- **1655 –** The first vines were imported from France, the Rhineland and Spain and is successfully planted by Jan van Riebeeck in the Company's garden (WOSA, 2010; Hands & Hughes 2001:17).
- **1657 –** The DEIC released 49 free burger farmers, who were given their own small patch of land to work on (Hughes *et al*, 1992: 20). The farms were less than 50 hectares in size and situated along the Amstel River near the Company's headquarters. They realised that vineyards were easier to plant than wheat, by observing Jan van Riebeeck's promising vineyards as they had no knowledge of viticulture (Hands & Hughes, 2001:17).
- **1658 –** The first shipment of slaves arrived in the Colony (Hughes *et al*, 1992:20).
- **1659 –** On the 2nd of February Jan van Riebeeck recorded in his diary the first wine produced at the Cape (WOSA, 2010).
- **1662 –** Jan van Riebeeck departed to the East Indies (Hughes *et al*, 1992:20),

- **1678 –** Simon van der Stel was appointed Governor of the settlement and later in the year started developing Stellenbosch – 60 kilometres east of Cape Town (WOSA, 2010).
- **1680 –** Simon van der Stel planted 100 000 vines in the Constantia valley, which he later developed into a model wine and fruit farm (Hands & Hughes, 2001:17).
- **1688 –** 150 French Huguenots, with great wine expertise, followed by 50 more in the preceding year, immigrated to the Cape. They were given land grants, primarily in the Franschhoek area (WOSA, 2010; Hands & Hughes, 2001:17).
- **1699 –** Simon van der Stel was succeeded by his son, Willem Adriaan, as Governor. The first modest exports of wine from the Cape take place in the same year (Hughes *et al*, 1992:20).
- **1708 –** Willem Adriaan departed in exile in Holland (Hughes *et al*, 1992:20).
- **1761 –** Constantia exports wine to Europe and by 1788 Constantia's dessert wine wins acclaim throughout Europe (WOSA, 2010).
- **1778 –** The Cloete family acquired Groot Constantia (Hughes *et al*, 1992:20).
- **1795 –** The first British occupation of the Cape Colony (Hands & Hughes, 2001:17).
- **1802 –** The end of the fist British occupation (Hughes *et al*, 1992:20).
- **1806 –** The Battle of Blaauwberg and the second British occupation starts (Hands & Hughes, 2001:17).
- **1811 –** The British authorities introduced quality control in the Cape wines exported to the Colony (Hughes *et al*, 1992:20).
- **1814 –** The Congress of Vienna formally gave Great Britain control of the Cape Colony (Hands & Hughes, 2001:17).
- **1825 –** The Cape wine exports increased rapidly after Great Britain placed heavy tariffs on French wines (Hughes *et al*, 1992:20).
- **1834 –** Emancipation of the slaves and the start of the Great Trek (Hughes *et al*, 1992:20).
- **1860 –** The first appearance of the phylloxera epidemic in the French vineyards (Hughes *et al*, 1992:20).
- **1861 –** Tariffs were lowered by Great Britain on French wine imports which caused the South African wine exports to drop dramatically (Hands & Hughes, 2001:17).
- **1863 –** Louis Pasteur launched an investigation into diseases of wine in France (Hughes *et al*, 1992:20).

- **1886 –** The phylloxera disaster destroyed millions of vines at the Cape which led to great losses (WOSA, 2010). The discovery of Witwatersrand (Hughes *et al*, 1992:20).
- **1899 –** The start of the second Anglo-Boer War (Hughes *et al*, 1992:20).

Developments since 1900:

- **1904 –** Vineyards are re-established, as vines are grafted onto phylloxera-resistant rootstocks imported from the United States of America as a result of the disaster in 1886 (Hands & Hughes, 2001:17).
- **1906 –** The first co-operative winery, the Drostdy Ko-operatiewe Keller Beperkt, was founded in Tulbagh as a response to the depression in the wine and spirit industry (WOSA, 2010).
- **1909 –** An all-time low was reached when over-production caused a drop in wine prices (Hughes *et al*, 1992:20).
- **1910 –** The Union of South Africa was established (Hughes *et al*, 1992:20).
- **1918 –** The Ko-operatiewe Wijnbouwers Vereeniging van Zuid-Afrika (KWV) was formed, and saved the wine industry from disaster (WOSA, 2010).
- **1924 –** Natural wines were produced by Dr William Charles Winshaw and owner of Oude Libertas, Gideon Krige. The KWV was empowered by the Smuts government, through the Wine and Spirit Control Act No. 5, to set the minimum prices for wine distillation. The Act initiated a process of legal control over the industry and was expanded over the following decade (Hands & Hughes, 2001:17).
- **1925 –** South Africa's own unique grape variety, Pinotage, was successfully cross-pollinated with Pinot Noir and Hermitage (Cinsaut) by Professor Perold (WOSA, 2010).
- **1927 –** The first South African Pinot Noir was bottled by the owner of Muratie, Georg Canitz (WOSA, 2010).
- **1935 –** The formation of the Stellenbosch Farmers' Winery (SFW) Limited (Hughes *et al*, 1992:20).
- **1937 –** One of the innovators of cold fermentation for white wines, Johann Graue, bought Nederburg in Paarl (Hands & Hughes, 2001:17). Johann Graue was a German immigrant who used cold fermentation for making white table wine in the 1950s (WOSA, 2010).

- **1940 –** Wine and Spirit Control Act No.23 empowered the KWV to set minimum fixed grape and wine prices and enforces that wine could be purchased only with the organisation's permission (Hughes *et al*, 1992:20; Hands & Hughes, 2001:17).
- **1945 –** The Distillers Corporation was founded (WOSA, 2010).
- **1950 –** W&A Gilbey opened a distillery in Natal and therefore Gilbeys SA was formed (Hands & Hughes, 2001:17).
- **1955 –** The Viticulture and Oenological Research Institute (VORI) was founded and is known today as Nietvoorbij (WOSA, 2010).
- **1957 –** As a result of over-production, the KWV instituted a quota system that limited the number of vines a farmer could plant (Hands & Hughes, 2001:17).
- **1959 –** The first Lieberstein was marketed by the SFW. Lieberstein is a semi-sweet white wine and the sales of the wine increased in five years from 30 000 to 31 million litres (Hughes *et al*, 1992:20).
- **1961 –** The first bottle of 1959 Pinotage appeared, under the Lanzerac label (WOSA, 2010).
- **1962 –** Gilbeys acquired R. Santhagens Cape Limited, who was known as the country's oldest brandy producers and leading wine merchants (Hands & Hughes, 2001:17).
- **1964 –** Lieberstein sales topped 31-million litres, and was named the world's leading selling wine (WOSA, 2010).
- **1965 –** The amalgamation of Stellenbosch Farmers' Winery, Monis of Paarl, and Nederburg took place (Hughes *et al*, 1992:20).
- **1968 –** The Bergkelder was built by Distillers with its maturation cellars tunnelled into Papegaaiberg in Stellenbosch (WOSA, 2010).
- **1971 –** The Stellenbosch wine route was opened – the first wine route in South Africa (Hands & Hughes, 2001:17).
- **1973 –** South African Wine of Origin legislation was implemented (Hughes *et al,* 1992:20).
- **1975 –** The first Auction of Rare Cape Wines was held at Nederburg and the South African Zinfandel was marketed by Gilbeys (WOSA, 2010).
- **1979 –** Under auspices of SFW the Cape Wine Academy was founded (Hands & Hughes, 2001: 17).

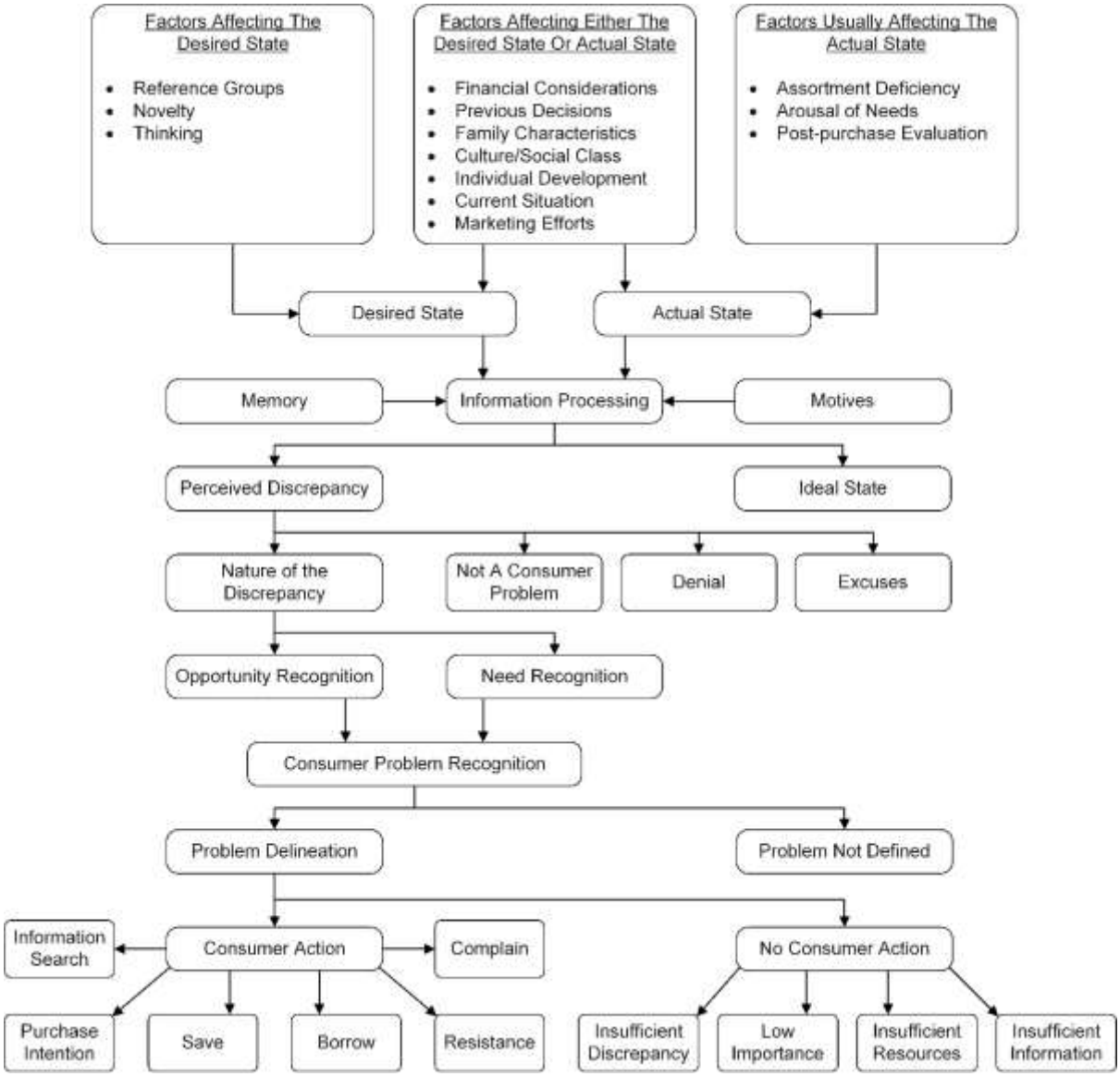
- **1980 –** The Cape Wine Academy began courses for the trade and the general public in South Africa (Hughes *et al,* 1992:20).
- **1983 –** The Cape Winemaker's Guild (CWG) was formed (WOSA, 2010). The government rejected recommendations for a less monopolistic structure for the wine industry, which influenced fair competition among wine producers (Hands & Hughes, 2001:17).
- **1984 –** The first flavoured wine was introduced to the market (WOSA, 2010).
- **1985 –** Uniformity of selling hours in liquor retailing and extended hours for restaurants with liquor was gazetted by the Liquor Amendment Act (Hughes *et al,* 1992:20). The inaugural CWG wine auction was held (WOSA, 2010).
- **1990 –** The gold Superior Wine of Origin Seal was discontinued (Hands & Hughes, 2001:18). The SA Wines & Spirits Export Association (SEWSEA) was established and Nelson Mandela was released from prison which strongly impacted the international acceptance of South African wine's (WOSA, 2010).
- **1991 –** Douglas Green and the Union Wine combined to form Douglas Green Bellingham (Hughes *et al,* 1992:20). The first National Bottled Wine Show and inaugural Veritas awards was held (WOSA, 2010).
- **1992 –** President FW de Klerk implemented changes that would eventually lead to the majority rule and therefore the United States and other countries began to lift economic sanctions and the South African wine industry once again exported (Hands & Hughes, 2001:18). KWV wine courses and CWA merged and the Méthode Cap Classique Association was formed (WOSA, 2010).
- **1993 –** A new, simplified Wine of Origin seal was introduced to the South African wine market (Hands & Hughes, 2001:18). The Port Producers' Association was formed (WOSA, 2010).
- **1995 –** For the first time wine farmers were allowed to buy grapes in, but the grapes could not exceed 45 per cent of the farm's total production and the wine had to be bottled under a second label (Hands & Hughes, 2001: 18). The Pinotage Association was formed and KWV International was founded (WOSA, 2010).
- **1996 –** The minimum pricing for the purchase of grapes was abolished and Stellenbosch Vineyards (Pty) Limited was founded (Hands & Hughes, 2001:18; WOSA, 2010).

- **1997 –** On the first of December KWV Registered as a private company and ARC Infruitec-Nietvoorbij was founded (Hands & Hughes, 2001:18; WOSA, 2010).
- **1998 –** The new Liquor Bill was approved by parliament (3-tier system) (Hands & Hughes, 2001:18). The CWA was registered in an independent Trust (WOSA, 2010).
- **1999 –** The new Liquor Bill was rejected as unconstitutional and the Bill was referred back to parliament for amendment. The South African Wine Industry Trust (SAWIT) was established with the vision to advance the transformation of the wine industry and encourage exports (WOSA, 2010).
- **2000 –** In May the Chenin Blanc Association was formed (Hands & Hughes, 2001:18). The SAWSEA was renamed as Wines of South Africa (WOSA). Wines of South Africa was a non-profit company who represented all exporters of South African wines. The aim of the company is to build the Brand South Africa internationally (WOSA, 2010). The SFW and Distillers Corporation merged to form one company, named Distell.
- **2005 –** The world's first biodiversity wine route, the Green Mountain Eco Route was established within the Groenlandberg Conservancy (WOSA, 2010).
- **2008 –** The BWI reached a conservation footprint of 104 511 hectares, which accounts to a 100 per cent equal to the vineyard footprint in the Cape wine lands. The South African export wine industry reached a staggering 400 000 000 litres (WOSA, 2010).
- **2009 –** The South African wine industry celebrated 350-years of wine production.
- **2010 –** South African wine sales trumpt French wines for the first time in the UK wine market. According to figures from market analysts AC Nielsen, South African wine sales grew 20 percent, by volume, to 12 270 000 9L cases, compared to a decline in French wine sales of 12 percent, to 12 266 000 9L cases. The world's first sustainability seal was introduced by South Africa as a guarantee of eco-friendly production (WOSA, 2017). The FIFA world cup hosted by South Africa gave way to a 90% increase in South African tourism and resulted in increased sales of South African wines (FIFA, 2010).
- **2011 –** HCI Holdings became the largest shareholder in KWV. 33.9% of the stake was acquired by HCI Holdings for R247, 1 million (WOSA, 2017).

- **2013 –** The first investment in the Cape winelands was made by China in August 2013 when Val de Vie in Paarl was purchased by Perfect China in Yangzhou (WOSA, 2017).
- **2015 –** A 50% increase in gold medals was achieved at the 2015 International Wine & Spirit Competition by South African wines (WOSA, 2015).
- **2016 –** Impressive increases in the export market was noted where exports of South African wines went up by 9.8 percent to 428.5 million litres, in particular higher price point wines showed impressive growth.

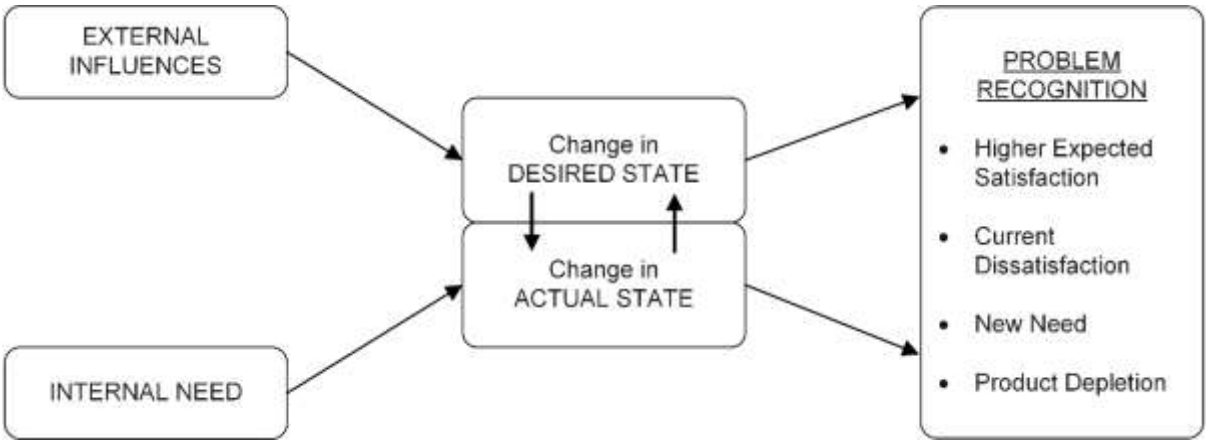
From the above chronology it is clear that the South African wine industry had to face hardship and struggle to become one of the most well-known wine countries in the world. The initiatives and innovation of industry stakeholders, such as WOSA and the Wine Industry Council, ensure that the South African wine industry continues to grow from strength to strength.

APPENDIX D: THE CONSUMER PROBLEM RECOGNITION PROCESS



Source: Brumer and Pomazal, 1988

APPENDIX E: A FRAMEWORK OF PROBLEM RECOGNITION



Source: Punj & Srinivasan, 1992

APPENDIX F: WINENET RESEARCHER PROFILE

Short description of Carla Guse Janse van Vuuren:

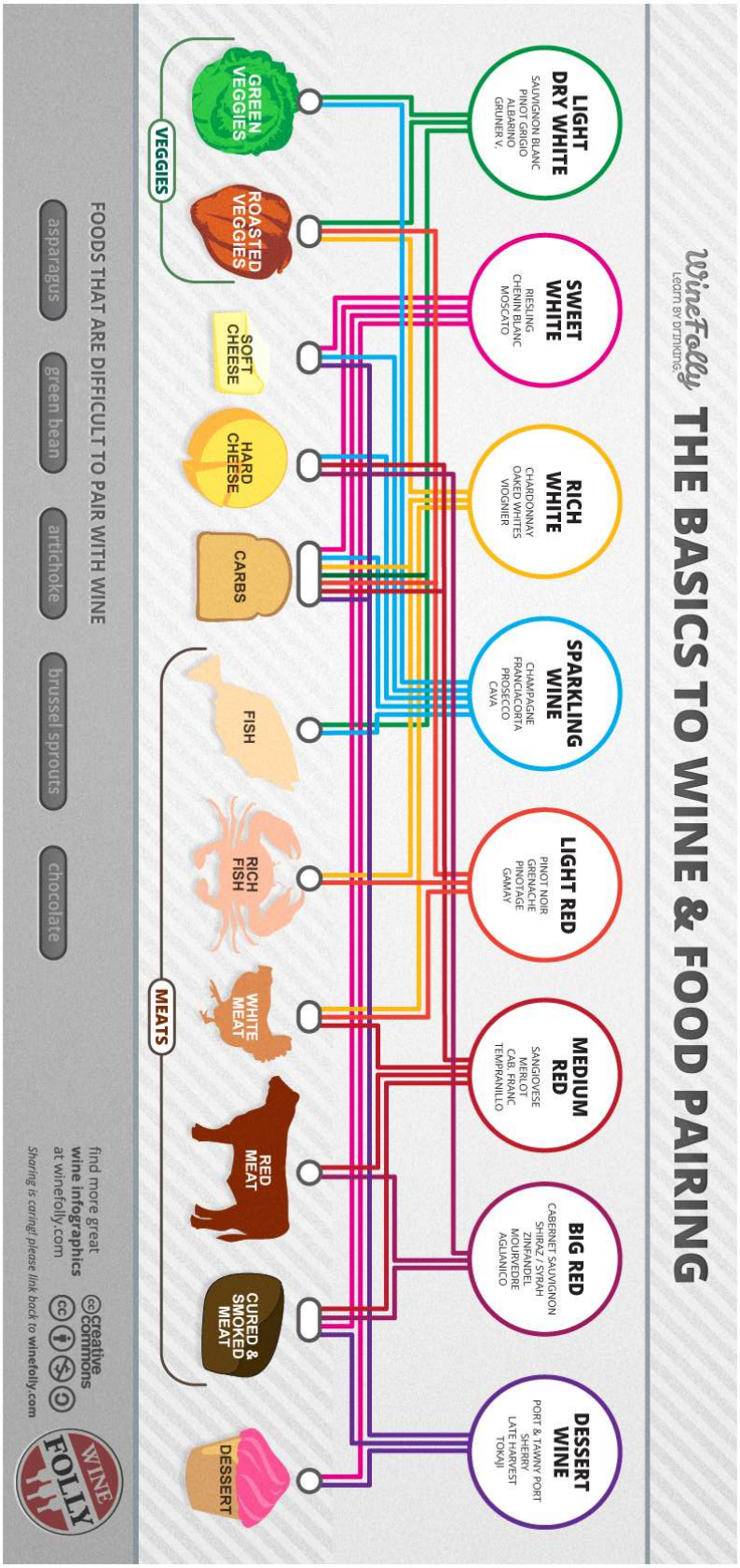
I am a lecturer at Stellenbosch University, specialising in Consumer Psychology and Marketing. My research interests include *consumer purchasing behaviour* and *decision making* in the South African wine industry. As a wine and research enthusiast, I am always looking for new ways to understand the ever changing wine market. My outgoing and energetic personality allows me to discover the South African wine culture through conversations and observations. However, the importance of empirically investigating human behaviour is critical in the process of analysing current trends and forecasts. All for the love of wine!

Blurb, online shop Flyer:

I am a wine researcher and enthusiast, lecturer in consumer psychology at Stellenbosch University, and a proud South African. My research on wine purchase behaviour will attempt to gain insight on New World wine consumers (South African). In completing (**by Friday 6 March 2015**) this survey not only will you add value to my research, but you will rethink the way in which you purchase wine. Your participation will be greatly appreciated, and you will be automatically entered into a lucky draw (First prize a box of **Pongracz**, second a box of Fleur du Cap Cabernet Sauvignon, and thirdly a box of **Fleur du Cap Chardonnay**). Please follow the link below, and if you have any questions feel free to e-mail me on cgjvv@sun.ac.za. The survey will not take longer than 15 – 20 minutes.

https://sunsurveys.sun.ac.za/winecoza.aspx

APPENDIX G: FOOD AND WINE PAIRING INFOGRAPHIC EXAMPLE



Source: http://winefolly.com/tutorial/basic-wine-and-food-pairing-chart/

APPENDIX H: EXAMPLES OF WINE BOTTLE NECK TAGS

Bottle banners

Bottle sleeves

Bottle hangers

Bottle starbursts

Bottle swatch cards

Source adapted from: http://www.popupmailers.co.uk/bottle-tags.php

APPENDIX I: MANDATORY INFORMATION ON FRONT LABEL

(On 750 ml South African bottled wine)

A label must have a COLA (Certificate of Label Approval) before it may be used. Application for a COLA is usually done by the importer. Furthermore, South African labelling requirements must also be complied with.

Mandatory item	Type size	Legibility	Placement
BRAND NAME	Min. 2 mm	• Readily legible on a contrasting background • Separate and apart from or be substantially more conspicuous than descriptive information	On label on the front of the container
CLASS AND TYPE DESIGNATION	Min. 2 mm	• Readily legible on a contrasting background • Separate and apart from or be substantially more conspicuous than descriptive information	On label on the front of the container
ALCOHOL CONTENT	Min. 1 mm Max. 3 mm	• Readily legible on a contrasting background • May not be set off with a border or otherwise accentuated	On label on the front of the container
IMPORTER DETAILS	Min. 2 mm	• Readily legible on a contrasting background • Separate and apart from or be substantially more conspicuous than descriptive information	On label on the front, back or side of container
NET CONTENTS	Min. 2 mm	• Readily legible on a contrasting background • Separate and apart from or be substantially	On label on the front, back or side of container

Mandatory item	Type size	Legibility	Placement
		more conspicuous than descriptive information	
ALLERGEN DECLARATION	Min. 2 mm	• Readily legible on a contrasting background • Separate and apart from or be substantially more conspicuous than descriptive information	On label on the front, back or side of container
HEALTH WARNING	Min. 2 mm	• Readily legible on a contrasting background • Separate and apart from all other label information	On label on the front, back or side of container
COUNTRY OF ORIGIN	Not prescribed	• Not prescribed	On label on the front, back or side of container

Source: http://www.sawis.co.za/winelaw/download/USA_WINE_LABELLING_GUIDE.doc.